



2009

ANNUAL REPORT





“

Evolutions is the law of policies: Darwin said it, Socrates endorsed it, Cuvier proved it and established it for all time in his paper on "the survival of the fittest". These are illustrious names, this is a mighty doctrine: nothing can ever remove it from its firm base, nothing dissolve it, but evolution. *Mark Twain*

”

Table of Contents

Who We Are 04

Our Businesses in a Snapshot	07
Key Financial Highlights	08
Key Facts	09
A Strategy that Delivers	10

Chairman's Letter 12

Board of Director's Report 18

Highlights of 2009	20
Financial position	22
2009 Achievements	23
Synergy realization	25
Appropriation of income	25
Corporate Governance	26
Corporate Social Responsibility	27
Key Financial Highlights	28

Corporate Governance 30

2009 Review of Operations	38
Institutional Banking	40
Consumer Banking	46
Support Functions	49
Risk Management	52
Credit Risk Management	52
Market Risk Management	54
Operational Risk Management	54
Compliance	55

Strategic Subsidiaries and Affiliates	56
--	-----------

Corporate Social Responsibility	68
--	-----------

Financial Statement	72
Financial Statement A. CIB Stand-alone	74
Financial Statement B. Consolidated CIB & CI-CH...	104

10 years Historical Pro Forma Financial Statements	138
Branches & Public Units	139




“

We are the facilitators of our own
creative evolution. *Bill Hicks*

”



بنك تشايس
بنك تشايس
بنك تشايس

 THE CHASE NATIONAL BANK
(EGYPT) S.A.E.



109

Who We Are



Who We Are

“Change is at the very core of evolution and without it, all creatures would look alike and behave the same way. *Martin Dansky*”

The Bank was established as a joint venture between Chase Manhattan and National Bank of Egypt (NBE) in 1975 and was originally named Chase National Bank. Chase divested its ownership stake in 1987 due to a shift in international strategy, and NBE acquired the stake. Following Chase's divestiture, the Bank adopted the name "Commercial International Bank" (CIB). Over time NBE decreased its stake in CIB, eventually reaching 19%. In early 2006, a Consortium led by Ripplewood Holdings acquired NBE's remaining stake. Later in July 2009, Actis, an emerging market private equity specialist, acquired 50% of the stake held by the Ripplewood consortium in CIB. Actis, 5 months later, became the single largest shareholder in CIB with a 9.3% stake when Ripplewood sold its remaining residual stake of 4.7% through the open market in December 2009, thus making the successful transition of strategic partnership to be with Actis.

CIB offers a broad range of products and services to its customers and is a leading provider of financial services to large, medium and small enterprises, other institutions, households and high net worth ("HNW") individuals. In addition to traditional asset and liability products, CIB offers wealth management, securitization, private equity and treasury services, all through client-centric teams. In addition, CI Capital, CIB's wholly-owned subsidiary, offers asset management, investment banking, brokerage and research. We continuously strive to provide our clients with superior financial solutions to meet all of their financial needs. We believe this enables us to maintain our leadership position in the market, while providing a stimulating work environment for our staff and delivering strong financial performance for our investors.

OUR BUSINESSES IN A SNAPSHOT

Corporate Banking

CIB is widely recognized as the best corporate Bank in Egypt and is committed to being recognized as one of the best corporate banks in the region, serving industry-leading corporate clients, as well as small and medium-sized businesses.

Structured Finance

CIB's global product knowledge, local expertise and capital resources make CIB an industry leader in project finance, syndicated loans and debt capital markets in Egypt. CIB's project finance and syndicated loans teams provide large borrowers with better market access and greater ease and speed of execution.

Consumer Banking

2009 was a year of significant transition for the Bank that moved us closer to our objective of building a full-service, world class consumer Bank. We offer a wide array of consumer banking products, including:

Personal Loans

Focusing on employees of our Corporate Banking clients and offering fully secured Overdrafts and Trade Products.

Auto Loans

Positioned to actively support this growing market in the coming years.

Deposit Accounts

Numerous account types to address our clients' deposit and savings needs, such as Minor, Youth, Senior Citizen, Certificates of Deposit, Care Accounts as well as Current, Savings and Time Deposit Accounts.

Residential Property Finance Loans

To finance home purchases, as well as residential construction, refurbishment and finishing.

Credit and Debit Cards

Offering a broad range of credit, debit and prepaid cards.

Wealth Management

Offers a wide array of investment products and services to the largest base of affluent clients in Egypt.

Mid-Cap Banking

Through a dedicated team of certified officers who are highly specialized in providing advice and assistance in every aspect of entrepreneurial business requirements, this division caters to the medium sized companies. The department's role is to grow these businesses to become future large corporate.

Treasury and Capital Markets Services

Delivering high quality services in cash and liquidity management, capital markets, foreign exchange and derivatives.

Investment Banking Services

Through CI Capital, CIB offers existing and prospective clients a full suite of investment banking products and services, including investment banking advisory and execution, asset management, brokerage and equity research, providing deep and broad market knowledge and expertise. CI Capital is consistently ranked as the leading brokerage house serving local and international clients in Egypt.

Direct Investment

Actively participating in select direct investment opportunities in Egypt and across the region.

Who We Are

FY 2009 FINANCIAL HIGHLIGHTS

	FY 09 Consolidated	FY 08 Consolidated	FY 09	FY 08	FY 07	FY 06	FY 05
Common Share Information							
Per Share							
» Earning per share (EPS)			5.20	4.84	3.71	3.64	2.77
» Dividends (DPS)			1.50	1.00	1.00	1.00	1.00
» Book Value (BV/No of Share)			23.58	17.62	20.93	17.06	13.99
Share Price *							
» High			58.00	93.40	95.00	79.00	63.50
» Low			31.54	27.87	53.61	42.11	39.91
» Closing			54.68	37.20	91.77	57.87	58.68
Shares Outstanding (millions)			292.5	292.5	195	195	130
Market Capitalization (millions)			15,994	10,881	17,895	11,285	7,628
Value Measures							
Price to earnings multiple (P/E)			10.5	7.69	24.7	14.1	12.5
Dividend Yield (Based on closing share price)			1.83%	2.69%	1.09%	1.73%	2.6%
Dividend Payout ratio			16.6%	18.1%	15.8%	27.5%	21.3%
Market value to book value ratio			2.32	2.11	4.39	3.39	1.86
Financial Results (millions)							
Net Operating Income	3,384	3,283	3,396	3,326	2,313	1,741	1,450
Provision for credit Losses							
» Specific	79	346	79	346	193	176	197
» General	18	49	18	49	57	17	43
Total	97	395	97	395	250	193	240
Non Interest Expense	1,238	1,256	1,214	1,076	714	668	474
Net Profits	1,708	1,371	1,757	1,615	1,233	802	610
Financial Measures							
Cost: Income	36.59%	38.26%	35.75%	32.36%	30.19%	38.38%	32.72%
Return on average Common Equity	26.74%	26.67%	29.16%	34.98%	33.95%	26.49%	23.76%
Net Interest Margin (NII /average interest earning Assets)			3.93%	3.93%	3.27%	3.14%	3.50%
Return on average Assets	2.81%	2.60%	2.90%	3.08%	2.90%	2.37%	2.09%
Regular workforce headcount (exclude non clerk)	4,385	4,014	3,978	3,792	3,132	2,477	2,301
Balance Sheet and Off Balance Sheet information (millions)							
Cash resources and Securities (Non. Governmental)	20,730	15,236	21,484	15,964	22,481	14,539	11,718
Net Loans and acceptances	27,304	26,330	27,304	26,330	20,479	17,465	14,039
Assets	64,125	57,462	63,923	57,128	47,664	37,422	30,390
Deposits	54,649	48,790	54,843	48,938	39,515	31,600	24,870
Common Shareholders equity	6,996	5,778	6,898	5,631	4,081	3,327	2,727
Average Assets	60,794	52,684	60,526	52,396	42,472	33,906	29,183
Average interest earning Assets			54,499	44,602	36,603	29,277	25,619
Average Common Shareholders equity	6,387	5,139	6,265	4,876	3,813	3,027	2,568
Balance Sheet Quality Measures							
Common equity to Risk-Weighted Assets	N/A	N/A	16.83%	14.82%	13.60%	14.14%	13.83%
Risk-Weighted Assets (billions)	N/A	N/A	41	38	30	26	22
Tier 1 Capital ratio	N/A	N/A	12.41%	13.74%	10.17%	9.59%	9.78%
Tier 2 Capital ratio	N/A	N/A	13.66%	14.99%	14.70%	13.60%	13.10%
Non Performing Exposure			787	831	642	706	836
Coverage Ratio			196.30%	194.25%	195.69%	162.87%	130.19%

* Unadjusted to stock dividends

KEY FACTS

The only Egyptian Bank recognized as

“BEST BANK IN EGYPT”

by four international publications:

Euromoney, Global Finance, emeafinance and THE BANKER in the same year

About

541,000

customers served by over
4,300 employees

More than

69,000

electronic banking service
users

No.1

BANK IN TERMS OF:

- Market Capitalization in the Egyptian banking sector.
- Profitability, achieving EGP **1.71** billion net income.
- Loan book and deposit base among all Egyptian private sector banks.
- Net-worth among all Egyptian private sector banks.

Over **500**
of Egypt's largest
corporations bank with CIB

THE ONLY

Egyptian financial institution
offering both commercial and
investment banking services

EGP **64**
billion in total assets

We serve over **100**
“Fortune 500” companies

Who We Are

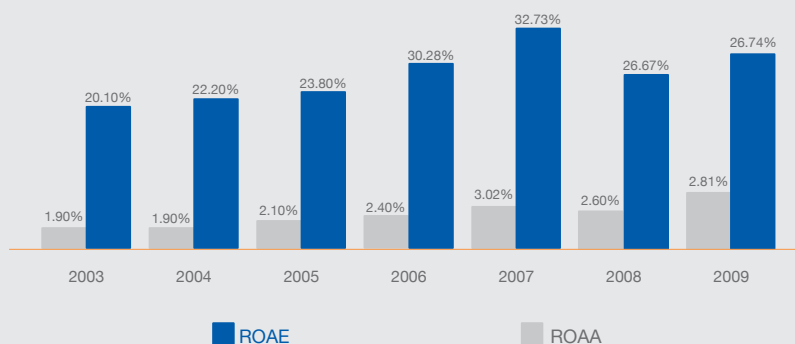


Progress has not followed a straight ascending line, but a spiral with rhythms of progress and retrogression, of evolution and dissolution. *Johann Wolfgang Von Goethe*



A STRATEGY THAT DELIVERS

At CIB, our customers are our top priority and our continued success depends on our ability to satisfy their evolving needs. CIB's outstanding financial performance in 2009 demonstrates the unique value proposition we offer our clients. Our unwavering client commitment is the basis upon which we will continue to provide our shareholders with consistent, high-quality returns.



We believe a key component of our success is our talented staff. CIB's ability to offer employees an attractive work environment, myriad career opportunities and comprehensive training and feedback allows us to attract and retain the strongest banking professionals in Egypt. Our employees reciprocate with dedication to our customers, our community and CIB.

Our Vision

To be the best financial institution in the Middle East and Africa by 2020.



Our Mission

To provide the best financial solutions to our clients and create more value for our employees, shareholders and community.

Our Objective

To **grow** and help **others grow**

Our Values

A number of core values embody the way in which CIB employees work together to deliver effective results for our customers and community.

Integrity:

- Exemplify the highest standards of personal and professional ethics in all aspects of our business.
- Be honest and open at all times.
- Stand up for one's convictions as well as accept responsibility for one's own mistakes.
- Comply fully with the letter and spirit of the laws, rules and practices that govern CIB's business in Egypt and abroad.
- Say what we do and do what we say.

Client Focus:

- Our clients are at the center of our activities and their satisfaction is our ultimate objective.
- Our success is dependent upon our ability to provide the best products and services to our clients; we are committed to helping our clients achieve their goals and be the best at what they do.

Innovation:

- Since our inception as the first joint venture bank in Egypt, CIB has been a pioneer in the financial services industry. We believe innovation is a core competitive advantage and promote it accordingly.
- We strive to lead the Egyptian financial services industry to a higher level of performance in serving the millions of Egyptians who remain underserved or unbanked.

Hard Work:

- Discipline and perseverance govern our actions so as to achieve outstanding results for our clients and outstanding returns for our stakeholders.
- Seeking service excellence guides our commitment to our clients.
- We work with our clients to reach their current goals while anticipating and planning for their future objectives.

Teamwork:

- We collaborate, listen and share information openly within CIB and with our partners, clients and shareholders.
- Each one of us consistently represents CIB's total corporate image.
- There is only one CIB in the eyes of our clients.
- We value and respect one another's cultural backgrounds and unique perspectives.

Respect to the Individual:

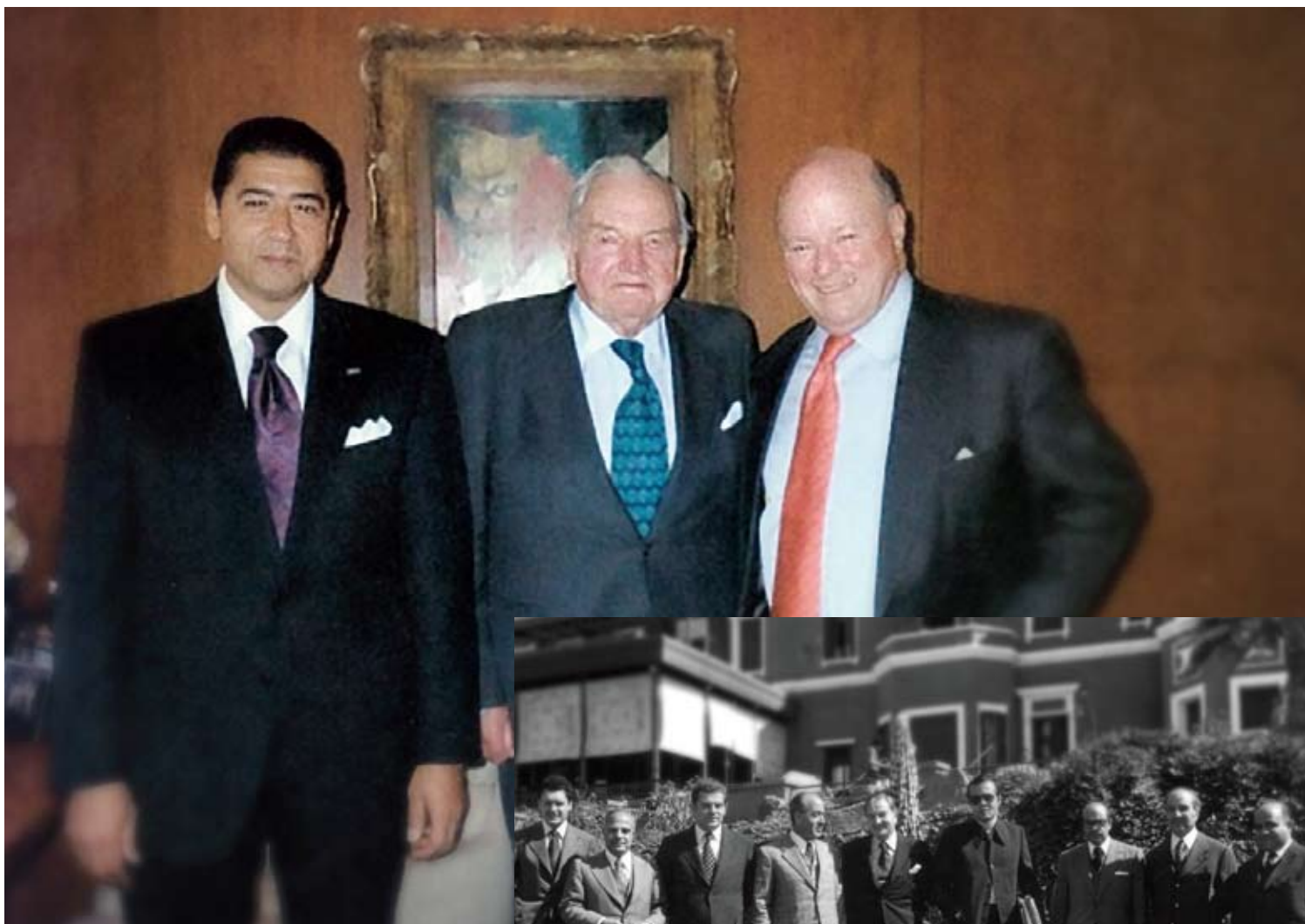
- We respect the individual whether an employee, a client, a shareholder, or a member of the communities in which we live and operate.
- We treat one another with dignity and respect and take time to answer questions and respond to concerns.
- We firmly believe each individual must feel free to make suggestions and offer constructive criticism.
- CIB is a meritocracy, where all employees have equal opportunity for development and advancement based only on their merits.



“ The greatest discoveries have come from people who have looked at a standard situation and seen it differently. *Ira Erwin* ”

109

Chairman's Letter



Mr. Hisham Ezz Al-Arab's and
Ambassador Frank G. Wisner visiting
Mr. David Rockfeller in 2009

Mr. David Rockfeller and Mr. Ali Dabous
(First Chairman of CIB) during the signing
of the Bank's protocol in Aswan in 1975

Chairman's Letter

Dear Fellow Shareholders,

There was much anxiety throughout the course of 2009 over the stability and trajectory of the global economy and markets. Some of this anxiety persists today given the uncertain effects of the unprecedented monetary and fiscal stimuli governments applied to offset the economic collapse caused by the market crises. As I write to you, it is important that you understand your bank is well positioned to deliver strong, stable financial results, as we have been doing throughout our history and did again in 2009. We ended the year with consolidated net profits of EGP 1,710 million reflecting a return on average equity of 26.74% and return on average assets of 2.81%. Despite the global turmoil over the past 12 months, the Egyptian economy recorded annual real GDP growth of 4.7% in 2008 /2009 due to the significant domestic demand component, totaling over 80% of GDP. Such economic resilience is impressive given the outright contractions that occurred across many export-dependent emerging economies, CIB's loan portfolio increased by 3.7% as of December 2009 while our target market in private corporate borrowings decreased by 3.6% during the first eleven months of the year. Record revenue and profits across all business lines reaffirms CIB's position as the most profitable bank in Egypt. 2009 marks the 32nd year of record earnings in a 34 year history since the bank's inception in 1975. With the effects of the global crises beginning to subside, the years to come look even more promising than the years that have passed.



“ All the evolution we know of, proceeds from the vague to the definite. ”
Charles Sanders Peirce

To understand where we are heading, we need to understand from where we have come. Earlier this year, I decided to meet the man who founded CIB 34 years ago. In December, I had the distinct pleasure of meeting Mr. David Rockefeller in New York. Mr. Rockefeller founded the first joint venture bank in Egypt in 1975 between Chase Manhattan Bank and National Bank of Egypt. During our meeting, I shared our success story in the years following Chase’s divesture in 1987 and described how Mr. Rockefeller’s vision had evolved into one of the most successful business stories in Egypt. My story of the bank’s evolution began with a brief reminder of where we were some 23 years ago and where we are today. Upon Chase’s divesture in 1987 Chase National Bank was renamed Commercial International

Bank (CIB)-Egypt. During the first 12 years of operation in Egypt, Chase National Bank built an unparalleled credit and risk assessment culture that was completely foreign to the market in Egypt at the time. This risk management culture has been one of our key pillars of strength and a constant source of stability for our clients and the economy. It was with tremendous pride that I could tell Mr. Rockefeller that we ended 2009 with Non Performing Loans (NPLs)/Gross loans of 2.9%

Despite the market volatility we have witnessed throughout our history, we have managed to maintain a consistent growth pattern.

I pointed out to Mr. Rockefeller that at the time of Chase’s exit in 1987, CIB’s authorized and paid-in capital was

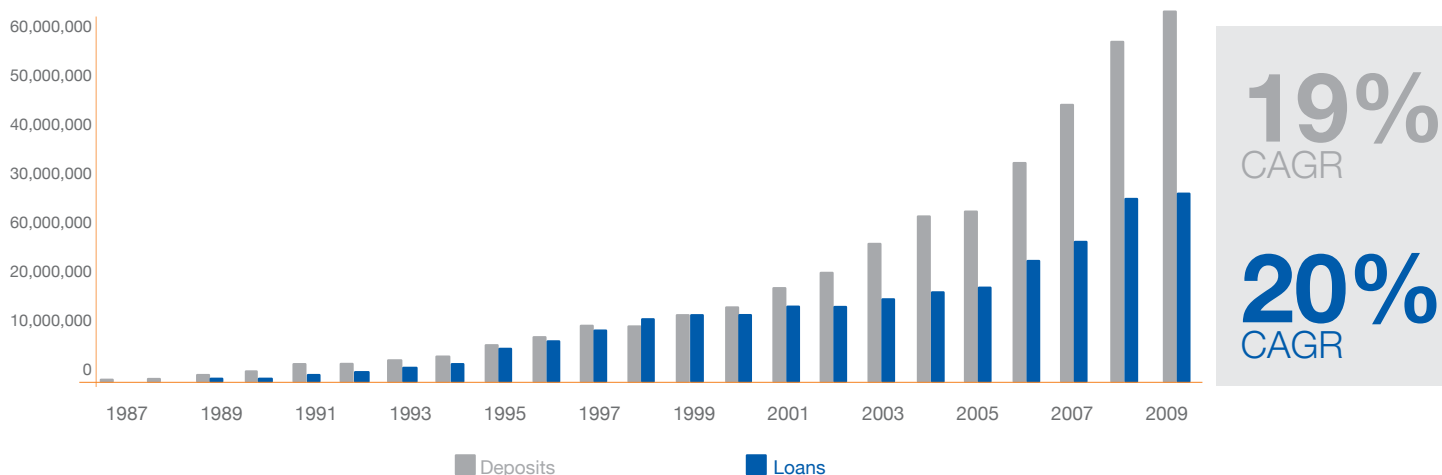
EGP 75 million and EGP 50 million respectively. Today, CIB’s authorized and paid-in capital reached EGP 5 billion and EGP 3 billion respectively. With a loan book of EGP 459 million in 1987 to reach 27,304 million in 2009. Expanding our branch network from a mere 12 branches in 1987 to 155 branches in 2009. NPAT in 1987 was approximately 26 million and today has reached a solid EGP 1.710 million.



19%
CAGR

Chairman's Letter

“ The progress of science is the discovery at each step of a new order which gives unity to what had seemed unlike. *Jacob Bronkowski* ”



I continued to elaborate on how the banking reform program that had been adopted by the Central Bank of Egypt and the new cabinet appointed in 2004 induced the fastest rate of evolution the sector had witnessed in its history. Such a positive impact on the macro level made the Egyptian banking sector an attractive and highly appealing target for investment by international corporations who would add value to the institutions they invest in. I updated Mr. Rockefeller about the evolution of our shareholding structure. I told him that in early 2006, a consortium led by Ripplewood holding acquired NBE's stake, joined CIB's Board and began a collaborative effort with senior management to implement a comprehensive restructuring within the bank. In partnership with Ripplewood, we have made significant progress in strengthening our systems, processes and managerial expertise.

It was of little surprise to Mr. Rockefeller when I told him Ripplewood elected to exit its investment in CIB in 2009, given that its stake was held in a 2001 vintage fund. In so doing, Ripplewood passed the torch to another active investor who shares the same strategic vision and brings highly complementary skills to the bank. In July 2009, Actis, one of the largest emerging markets-focused private equity specialist in the world,

acquired 50% of the stake held by the Ripplewood consortium in CIB. This transaction marks the seamless transition of strategic partnership from Ripplewood to Actis, who became the largest shareholder in CIB with a 9.3% stake. With a 60-year history investing in emerging markets, Actis should add tremendous value to CIB. Actis's extensive relationships and investments in the banking sector across emerging markets will offer CIB an invaluable opportunity to build dialogue and engage in best practices exchanges with similarly situated financial institutions in other markets especially on the consumer banking front. As it stands today there are numerous areas that present high growth potential in the sector, amongst which is Consumer banking which has become one of our main focus areas.

I explained to Mr. Rockefeller that, as the leading banking franchise in the Egyptian market for over 30, CIB has been able to observe closely the ongoing evolution and expansion of the consumer banking opportunity. As this expansion gains momentum CIB is well prepared to address our customer's retail banking needs and to be a leader in the segment. Our preparation has entailed significant capital expenditure to expand our distribution channels, including branches, upgrading our IT systems and to enhance our product delivery and risk management process. We have also made substantial efforts

to recruit the necessary talent to enable us to service the needs of this customer base.

I took care to point out to Mr. Rockefeller how CIB has been actively involved in the community service initiatives that are consistent with our Corporate Social Responsibility (CSR) framework based on meeting four key pillars

- » Code of conduct
- » Human rights and Gender issues
- » Environment
- » Donations

I concluded my meeting with Mr. Rockefeller by explaining our coming plan to set up a "CIB" foundation dedicated to giving back to our community by addressing a critical need. While this initiative is still in the development stage, the concept has generated great excitement among management, the Board of Directors, and, upon hearing of it, Mr. Rockefeller himself. By the end of our meeting I realized that we had been talking for almost two hours, I shook Mr. Rockefeller's hand and thanked him for his time.

I wanted to tell you, my fellow investors the same story and I look forward to your continued support as we craft the next chapter of our story in 2010.

Hisham Ezz Al Arab
Chairman and Managing Director

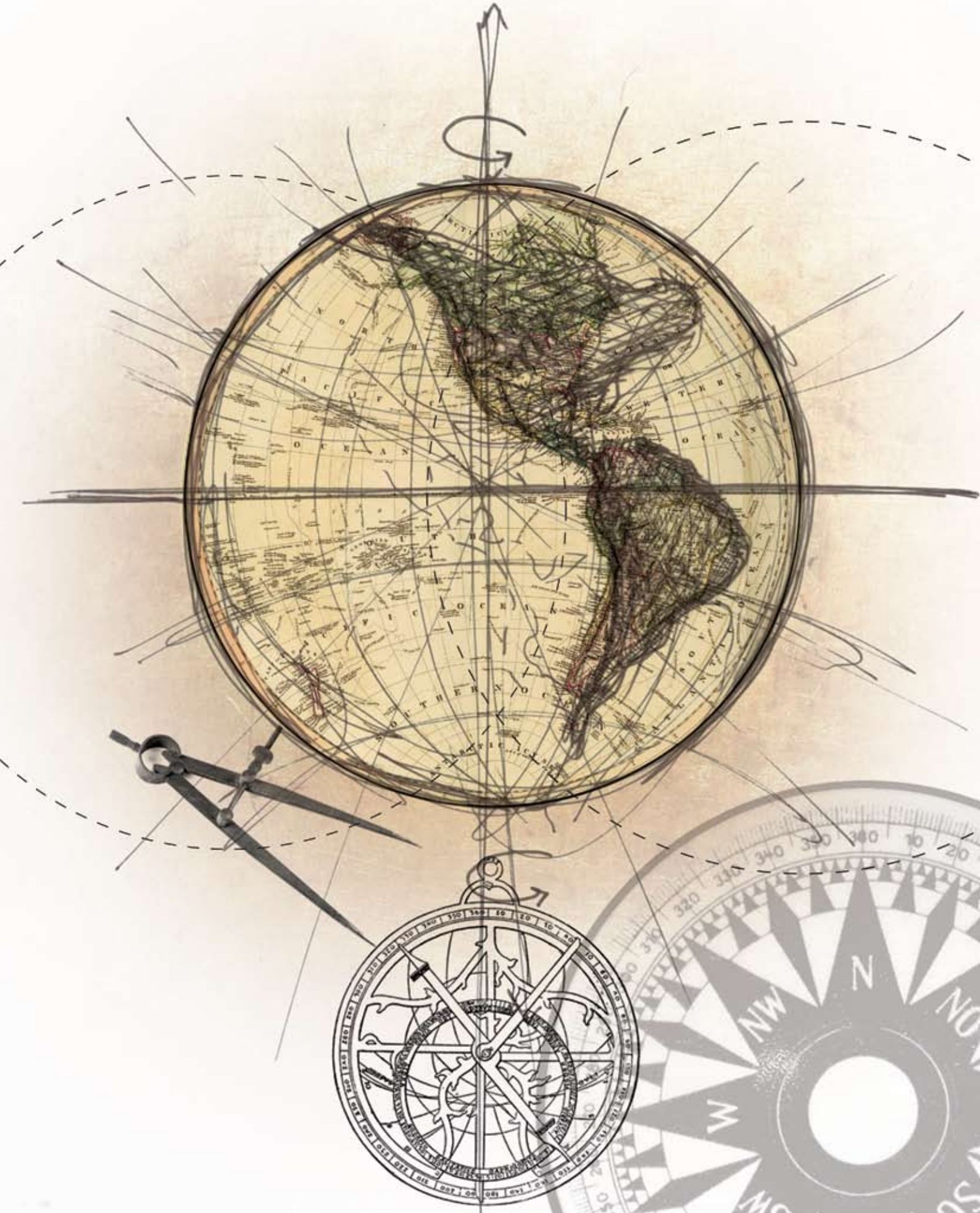


“

Evolution is not a force but a process. Not
a cause but a law. *John Morley*

”





109

Board of Director's Report



Board of Director's Report

The past year has been transformational for economies worldwide and for banking sectors in particular. While a number of financial institutions appear to have returned to “business as usual”, we believe this approach will eventually be viewed as short sighted. As the world transitions to what many investors, aptly described as “the new



HIGHLIGHTS OF 2009

normal”, we believe this period presents an opportunity for banks to refocus on the basics, strengthen overall banking and risk management processes and improve access to credit. We also believe emerging economies with attributes like Egypt’s will prove to be much more attractive destinations for capital over the coming years as developed economies grapple with the aftermath of balance sheet recessions. In 2009, CIB was able once again to deliver record profits and consistent results, reinforcing its leadership within the Egyptian banking sector. The following is a review of our results as well as the significant events and changes that took place over the past year.

Egypt was not immune to the crisis or the aftershock that hit global economies. The global downturn resulted in lower exports, remittances, FDI inflows and Suez Canal and tourism revenues. Despite these considerable headwinds, Egypt was one of the few emerging economies to avoid a contraction in GDP and, in fact, delivered GDP growth of 4.7% in 2009.

Such performance is attributable to a number of key factors including Egypt’s diversified economy, attractive demographic profile, monetary stability, ongoing economic reform agenda, under-penetrated and underleveraged economy, liquid banking sector, the sizable contribution of domestic consumption to GDP and relatively low-cost factors of production.

The conservative regulatory regime and structural reforms promoted by

the Central Bank of Egypt (CBE) has resulted in a banking sector that is highly liquid, well-capitalized, counter-cyclical and relatively isolated from global capital markets. These attributes have served as a strong buffer against market turmoil. However, the financial performance of Egyptian banks has been affected by the global economic slowdown. This slowdown, coupled with heightened risk aversion and uncertainty adversely impacted business volumes, with most Egyptian banks reporting minimal to no growth in their loan portfolios, deposits bases and profitability. Nevertheless, with only a moderate decline in GDP growth and in line with the CBE’s preparation for Phase II of the banking sector reforms, overall asset quality in the banking sector was maintained, along with relatively high capital adequacy ratios. Moreover surplus liquidity and zero reliance on wholesale or external

funding have left the banking sector in a strong position and able to support future credit expansion. The following elements offer the Egyptian banking sector highly attractive prospects:

- » Large population of approximately 80 million and an economy heavily reliant on cash as the primary medium of exchange.
- » Low credit penetration with overall loans-to-GDP of approximately 41.4% as of June 2009.
- » Well-capitalized, liquid banking sector with a loan/deposit ratio of 52.3% as of September 2009.
- » Largely under-penetrated banking segments with significant growth potential, including consumer banking and SME banking.

“ The real voyage of discovery consists not in seeking new landscapes but in having new eyes. *Marcel Proust* ”

- » Dramatically improved asset quality as a result of ongoing reforms and sector consolidation that has resulted in a decline in banking licenses of 35% over the past 5 years.
- » Phase II of the banking sector reforms, which will require the implementation of Basel II, should further strengthen risk management practices and capital adequacy standards leading to greater overall stability in the banking sector.

Given the vast opportunities we see, the Egyptian market will remain our primary strategic focus over the coming period. Capitalizing on CIB's strong competitive position and brand equity, we aim to continue to expand our market share, particularly within the aforementioned underserved segments.

Throughout 2009, CIB has been engaged in a series of reorganisations and restructuring initiatives with the objective of better positioning the Bank to address continually-evolving market needs and business opportunities.

To benefit from the growth opportunities in the local market, CIB is pursuing a number of initiatives to instill greater client-focus across all our business segments as well as to address underserved segments.

In addition to being the bank of choice for over 700 of Egypt's largest corporations, CIB has established the Global Customer Relations (GCR) Group to better address client needs

and enhance the Bank's current and future market opportunities. Our ultimate objective is to improve our product penetration and return on capital by strengthening our relationships with our clients locally and regionally. The GCR Group will assume responsibility for promoting long-term customer loyalty through enhanced client service and satisfaction. Another new initiative aimed at improving our banking relationships is the Mid-Cap Banking Group, which is mandated to cater to under-penetrated medium-sized companies. The Group seeks to provide solutions that meet the unique needs of medium-size enterprises with the goal of establishing CIB as their reliable long-term business partner.

As highlighted previously, we continue to aggressively pursue the immense opportunity we see in consumer banking. Over the past year, the Bank has successfully completed the restructuring of its Consumer Banking Business. Our actions primarily involved aligning the organization structure to the new strategy, setting quality standards, launching new products, closing skill gaps in key positions and breaking the silo mentality. Our ultimate objective has been to develop a robust and world-class consumer banking franchise. Over and above this, we want to capitalize on the widest private banking distribution network in Egypt, consisting of 154 outlets and over 500 ATMs. In line with our greater client-focus, in 2009 we fully launched CIB Wealth for high-net worth individuals.

Last year CIB initiated an aggressive change management plan across our Support Areas. In the last 18 months, the COO Area has been restructured and expenses rationalized. Overall expenses rose only 12% in 2009 without compromising any ongoing investments related to our strategic agenda. In addition, we identified and closed all key skill gaps, centralized our operations and processes, created a world-class MIS and strengthened key operational controls. We now believe we have a platform in place to assist our businesses in achieving their objectives.

CIB continued to build its Information Technology platform to be in line with the overall strategy of the organization. In addition, CIB support functions were further integrated with CIB to generate synergies, economies of scale and better controls.

On the Human Resources level, a number of steps were taken in 2009 to enhance the quality of our professional services. New internal standards were set to enable us to continue to attract, develop and retain a talented, motivated and diverse workforce. We strive to maintain our supportive work environment while ensuring the successful achievement of CIB's business strategy. The Bank continues to offer its employees the best training programs in Egypt, with updated and specially-tailored courses to enhance operability, service quality and product knowledge.

Board of Director's Report

Throughout its history, international publications have consistently recognized CIB for its quality products and services, sound financial position and profitability. In 2009, Global Finance named CIB “Best Bank in Egypt”, “Best Foreign Exchange Bank”, “Best Trade Finance Bank” and “World’s Best Sub-Custodian Bank”. In addition, Euromoney and emefinance named CIB “Best Bank in Egypt”, and the Banker named us “Bank of the year”. These simultaneous recognitions make CIB the only financial institution to have ever been so decorated by the four main publications in the same year.

CIB maintained its credit rating at BB+/stable/B, according to Fitch and S&P, reaffirming the Bank’s sound management and risk control measures. Moody’s rated CIB as C-BFSR with a stable outlook, making CIB the only investment grade-rated bank in Egypt.

Unrelenting focus on our customers and our share of wallet while preserving our sound risk management approach enabled CIB to increase its lending market share to 6.56% as of November 2009 from 6.51% in December 2008. At the same time, the Bank increased its market share in deposits to 6.36% in November 2009 from 6.31% in December 2008.

FINANCIAL POSITION

On a consolidated basis, CIB achieved EGP 1,710¹ million of Net Profit After Tax (NPAT) in 2009, which was an increase of 25.22% over 2008. Excluding the effect of the impairment charge during 2008, on a consolidated basis the Bank’s profits grew by 10.37²%. Both years’ financials included non-cash deductions related to accounting for the acquisition of CI-CH that took place in mid 2008. Also, the Bank amortized EGP 67 million of intangible assets compared to EGP 34 million in 2008.

The success of CIB’s strategy is most evident in CIB’s Return on Average Equity (RoAE), which equaled 26.74% in 2009, as compared to 26.67% in 2008. Return on Average Assets (RoAA) increased to reach 2.81% from 2.6% in 2008. Diluted Earning per Share rose by 7.43% to reach EGP 5.2.

LCY loans grew 11.91% since December 31, 2008, while FCY loans declined by 3.05%. In early Q4 2008, the Bank proactively began reducing its FCY exposure with customers potentially vulnerable to foreign exchange risk. In addition, the Bank successfully shifted some FCY exposures to LCY.

Although several businesses experienced adverse market effects during 2009, CIB’s conservative risk management culture enabled the Bank to maintain its asset quality, with no observable deterioration. The Bank’s NPLs/Loans ratio remained healthy at 2.9% while Loan Loss Provisions reached EGP 1,655 million as of December 31, 2009, increasing by approximately 2.5% as compared to 2008. Consequently, the Bank’s Coverage Ratio of 196.3% reflects CIB’s ability to absorb any as yet unforeseen and unexpected rise in NPLs.

CIB maintained its strong equity base with a conservative Capital Adequacy Ratio (CAR) of 13.66%, providing a solid cushion for adverse market movements. The year-end CAR, after adjusting to include 2009 attributable profits, reached 16.53%.

During 2009, consolidated revenues increased by 3.08%, with a 12.86% rise in net interest income and a 8.77% decline in non-interest income.

Adjusting for one-time gains in 2008, revenues rose by 4% and non-interest income declined by 14%.

The trend in non-interest income was mainly attributable to a decrease in brokerage commissions due to the drop in economic and market activity in the first nine months of the year.

On a stand-alone basis, Net Interest Margin (NIM) remained healthy at 3.93% in 2009. CIB was able to maintain its NIM despite several interest rate cuts and an overall contraction in spreads due to its dynamic Asset and Liability Management, proactive market approach and effective pricing of loans and deposits.

The Bank’s Cost: Income ratio decreased to 36.59% as compared to 38.26% in 2008, mainly attributable to efficient cost management as well as the accrual accounting system implemented in the beginning of the year.

¹NPAT figure excludes accounting for Minority Interest

²Percentage is based on the NPAT before accounting for Minority Interest



2009 ACHIEVEMENTS

As CIB continues to seek ways to enhance customer and shareholder value, we wanted to highlight some of CIB's many accomplishments over the past year.

Institutional Banking Achievements

Due to the diversity of products and services, the Institutional Banking Group (IB) in CIB is considered to be a market leader in Egypt with international standards. CIB's strong corporate culture, profound understanding of the local market and capital resources make it an industry leader in this segment.

2009 Structural Changes

During the course of the year the IB Group underwent a series of comprehensive restructuring initiatives. The main theme of the new structure is to create synergies and enhance customer focus. This will allow CIB to increase productivity and empower the business lines. Moreover, this will strengthen our competitive edge through a sustained business model as well as ensure that we accomplish our strategic objectives over the coming five years.

- Reorganized the treasury and dealing room functions so that the **Treasury and Capital Markets** Division will manage interest rate and foreign exchange risks for the bank while the **Asset and Liability Management Group (ALM)** will be responsible for liquidity management.
- Reorganized the Bank's Institutional Credit Business, through consolidating the credit business under one focal area to ensure full integration and cooperation among all lines of business.

- **Initiated the Mid-Cap Banking Group** to cater to medium-sized companies that have been largely underserved in the market. The department intends to function as a one-stop financial centre, addressing all the business needs of its client base, with the aim of building long-term relationships with customers. We believe, with our support these clients can grow to eventually become large-sized corporate clients. Products are offered through a dedicated team of certified officers who are highly specialized in providing advice and assistance to satisfy all of our clients' entrepreneurial business requirements.
- **Established the Global Customer Relations (GCR) Group** to enhance customer focus and satisfaction thus promoting long-term customer loyalty, increased market share and share of wallet.

Board of Director's Report

2009 BUSINESS ACHIEVEMENTS

- During the first 11 months of 2009, the market for loans grew by 0.65% whereas the corporate banking group was able to grow its loan portfolio by 1.41%, out-performing its peers and increasing its market share to 6.56% as of November 2009.
- CIB's well diversified and prudently built loan portfolio maintained its asset quality, as reflected in an NPL ratio of 2.9%.
- The Bank managed to maintain strong liquidity through a proactive approach across businesses:
 - » Sustained efforts to attract deposits.
 - » Proactively reducing FCY exposure with customers potentially vulnerable to foreign exchange risk and at the same time increasing FCY liquidity. As a result of this prudent policy, FCY Loans/Deposits fell from 66.93% at end of Q4' 2008 to reach 63.05% in Dec.09.
- Despite the drop in interest rates, CIB maintained healthy NIMs (NIM was sustained at the same approximate level as last year of 3.93%) and Institutional Banking was able to widen spreads on loans reflecting its efficacy in loan pricing.

CONSUMER BANKING ACHIEVEMENTS

Implementing a shift from product to client focus, several milestones have been achieved in the consumer banking business during the course of the past year:

- The auto loans product was fully launched in February 2009 and by December 31, 2009 CIB was ranked No.1 in the market with an estimated market share of 17% of new acquisitions for the year.
- Leveraging on CIB's large branch network and customer relationships, personal loans volumes increased by 150% to reach EGP 612 million as of December 31, 2009.
- CIB is the 2nd largest card issuer in Egypt:
 - » **Credit Cards:** CIB currently has 12% market share of retail spend on Egyptian credit cards.
 - » **Debit Cards:** CIB is 1st in debit cards based on retail spend (30%).
 - » The Bank maintained its position in the **P.O.S. acquiring business** and is currently the 3rd largest acquirer by funds acquired (28%).
- In the Liability business segment, CIB continued to focus on moving the branch mindset from "Transactional Banking" to "Relationship Banking".
- In December 2009, the Bank shifted "Wealth Management" from pilot stage to fully launch the service with a mission to build a unique brand and become the local market leader in Wealth Management.
- CIB is putting the operational infrastructure in place to sustain consumer banking business growth, through centralizing operations, setting up internal processes, building customer care units, enhancing service quality to support business plans, and boosting customer satisfaction and turn around times.

SYNERGY REALIZATION

The initiatives CIB has undertaken over the past 3 years such as wealth management, consumer banking, and global customer relations and CI Capital offer tremendous opportunities for CIB. There remains great potential to increase product penetration, enhance our share of wallet and generate incremental value through cross-selling.

Through its affiliation with CIB, CI Capital Investment Banking is the only local investment bank in the Egyptian market that enjoys the full backing of a large commercial bank's balance sheet. It is therefore able to capitalize on the unparalleled industry expertise built through and extending CIB's close relationships with its corporate clients. In addition, CI Capital Brokerage business achieved impressive volumes despite severe market contractions and turbulence where they continue to be ranked among the top five brokerage houses in Egypt with a market share of 4.05%.

APPROPRIATION OF INCOME

The Board of Directors has proposed the distribution of a dividend per share of EGP 1.5. In addition, CIB is increasing its Legal Reserve by EGP 87.8 million, to reach EGP 601.4 million, and its General Reserve by EGP 1,010.7 million, to reach EGP 2,474.4 million, thus reinforcing the Bank's solid financial position as evidenced by a Capital Adequacy Ratio of 13.66%. Adjusted CAR (including profits attributable to shareholders) reached 16.53%.



Board of Director's Report

CORPORATE GOVERNANCE

CIB's commitment to maintaining the highest levels of corporate governance came with several achievements that can be considered as the corner stones to the Bank's success, including:

1. Segregation of Executive Management and Board of Directors roles.
2. Forming a highly skilled Investor Relations Team.
3. Well established internal policies and manuals covering all business aspects, for example: Credit and Investment, Operational procedures, staff hiring and promotion.
4. Formation of Board's sub-committees: **Audit Committee, Corporate Governance and Compensation Committee, Risk Committee, Management Committee, High Lending and Investment Committee.**

The Board and its committees are governed by well defined charters to assist directors in fulfilling their responsibilities and obligations with respect to their decision making roles. CIB's Board consists of **Two Executive** and **Seven Non-Executive** members (majority of which are independent) with various expertise. In the event of a vacant Board seat, the Compensation and Governance Committee is responsible for nominating a member. Among its defined set of responsibilities, CIB's Board is committed to continuously monitor and adhere to corporate governance standards that are well-defined and efficiently enforced in a highly transparent manner. The Board fulfills its commitment in the following manner:

- Ensure that board members have a clear understanding of their role in corporate governance. Annually review the size and overall composition of the Board and ensure it respects its independence criteria.
- Through its Governance and Compensation Committee the Board ensures that an appropriate review selection process for new nominees to the Board is in place.
- Establish the strategic objectives and ethical standards that will direct the ongoing activities of the bank, taking into account the interests of all stakeholders.
- Internal control environment which comprises a set of systems, policies, procedures and processes that are in compliance with the regulatory requirements. These control measures are put in effect by the Board, management and all other employees to safeguard bank's assets, limits or control risks and achieve the Bank's objectives.
- Ensure that senior management implements policies to identify, prevent or manage, and disclose potential conflicts of interest. Oversee the performance of the Bank, its Managing Director, key Chief Executive Officers and senior management to ensure that the affairs of the Bank are conducted in an ethical and moral manner and in consistency with the board policies.
- Review and approve material relating to disclosure and transparency documents as may be required in conformity with the regulatory requirements or as determined by the Board from time to time.
- Oversee a code of business conduct for the Bank that governs the behavior of directors, officers and employees through a Compliance department. The Compliance Function in its broad scope was set up in March 07. The department's scope covers Anti Money Laundering, Policies & Procedures and Corporate Governance & Code of Conduct. The code sets CIB's core values as Integrity, Client Focus, Innovation, Hard Work and Respect for the Individual. These values encompass CIB's commitment to create a culture that adopts ethical business practices, good corporate citizenship, equal and fair working environment. In the meantime, it encourages a "whistle blowing" culture to draw attention to any concerns, unfair or unethical practices taking place. It is an independent function monitoring a sound Compliance program governed by international as well as local rules and regulations.

CBE's auditors and controllers consistently keep a close eye on the bank's operations through their regular audit missions and periodical set of reports submitted to them. During their audit missions, CIB's management ensures that they are provided with all necessary documents to fully observe their selected audit universe. CIB's Internal Audit team closely follows up on the Bank's management in taking all corrective measures with regard to CBE's comments.

CORPORATE SOCIAL RESPONSIBILITY

Being committed to the community where we live as well as where we work, CSR is an integral part of the way we conduct business at CIB. Under the slogan **"TO GROW AND HELP OTHERS GROW"**, contributing and supporting Egypt's economic growth is one of CIB's top priorities.

2009 Social Involvement

Given the sense of duty and gratitude we feel towards our society, and in continuation of the Bank's history of initiatives within Egypt, in 2009 CIB supported:

- **Yehia Arafa Children's Charity Foundation** to complete the full renovation of the Pediatric Surgery department in Ain Shams University hospital, to help the foundation enhance and develop the medical services offered by the Preterm Infants Unit as well as maintaining a sufficient supply of the medical and non-medical devices. In addition CIB helped to enable the hospital to provide training to the medical team to enhance their effectiveness.
- **Cairo University, Faculty of Oral and Dental Medicine** to renovate and renew the Pediatric Dentistry unit to help the faculty offer sufficient materials for operations. Our contribution will help the University increase patient occupancy from 27,166 to 27,443, as well as increase the dental units by 26 new units.

Furthermore, through its **finance program and international donors fund division**, CIB has become the Agent Bank for the biggest developmental Agricultural programs in the country. These programs contributed to the improvement of the country's food

security by supplying the market with approximately 6,900 loans totaling EGP 1.9 billion. The programs help small and medium scale farmers by standardizing loan products and making them available all over the country through a network of 11 participating banks and their branches, thus enhancing the accessibility of target groups to these developmental funds.

Also, in the context of encouraging clients to protect the environment, CIB dedicated credit lines with preferential interest rates combined with grants to CIB clients that adopt green technology.

Finally, in an effort to alleviate poverty, CIB became involved in microfinance through a service company in 2007. Since getting involved, CIB has disbursed 56,000 loans to date targeting the poor. By the end of 2009, total active clients reached 27,000, with an outstanding loan portfolio of EGP 66.2 million (average loan size of EGP 2,400).

CIB Foundation

In 2009 CIB's Board of Directors decided to establish the 'CIB Foundation' to demonstrate CIB's strong belief in Corporate Social Responsibility (CSR) and the importance of being a major contributor to the welfare of our community.

CIB Foundation will focus its efforts on health care and nutrition where there is tremendous need for support and resources.

The Foundation will direct its efforts and focus on enhancing regional health care services in order to achieve more efficiency and competence.

The Fund will provide grant support to expand and renovate facilities for health care programs, hospital projects and health care providers in communities where we operate.

Board of Director's Report

Key Financial Highlights

The following is a brief overview of key financial indicators on both a consolidated and a stand-alone basis for the year ended 31 /12 /2009:

I. Balance Sheet (in EGP billions):

a. CIB Stand-Alone

	Balance as of 31 /12/ 2009	Balance as of 31 /12/ 2008	% Change
Total Footings	63.9	57.1	11.9
Contingent Liabilities	12.6	13.3	(4.9)
Net Loan Book	27.3	26.3	3.7
Investments	9.5	5.1	87.4
Treasury Bills and Other Sovereign Securities	13.2	12.4	6.0
Total Deposits	54.8	48.9	12.1
Other Provisions	0.4	0.4	2.9
Total Shareholders' Equity & Net Profit for the Period	6.9	5.6	22.5

b. Consolidated CIB and CI-CH

	Balance as of 31 /12/ 2009	Balance as of 31 /12/ 2008	% Change
Total Footings	64.1	57.5	11.6
Contingent Liabilities	12.6	13.3	(4.9)
Net Loan Book	27.3	26.3	3.7
Investments	8.6	4.2	105.3
Treasury Bills and Other Sovereign Securities	13.2	12.5	6.0
Total Deposits	54.6	48.8	12.0
Other Provisions	0.4	0.4	2.0
Total Shareholders' Equity & Net Profit for the Period	7.0	5.8	21.1

II. Income Statement (in EGP millions):

a. CIB Stand-Alone

	Balance as of 31 /12/ 2009	Balance as of 31 /12/ 2008	% Change
Interest Income	4,026.3	4,631.0	10.9
Interest Expense	(2,000.9)	(1,988.6)	0.6
Total Fees & Commissions	637.3	634.1	0.5
Net Profit after Tax	1,757.0	1,615.1	8.8

b. Consolidated CIB and CI-CH

	Balance as of 31 /12/ 2009	Balance as of 31 /12/ 2008	% Change
Interest Income	4,033	3,765	7.1
Interest Expense	(2,003)	(1,967)	1.8
Total Fees & Commissions	765	748	2.4
Net Profit after Tax	1,710	1,365	25.2
Net Profit After Tax and Minority Interest	1,708	1,371	24.6

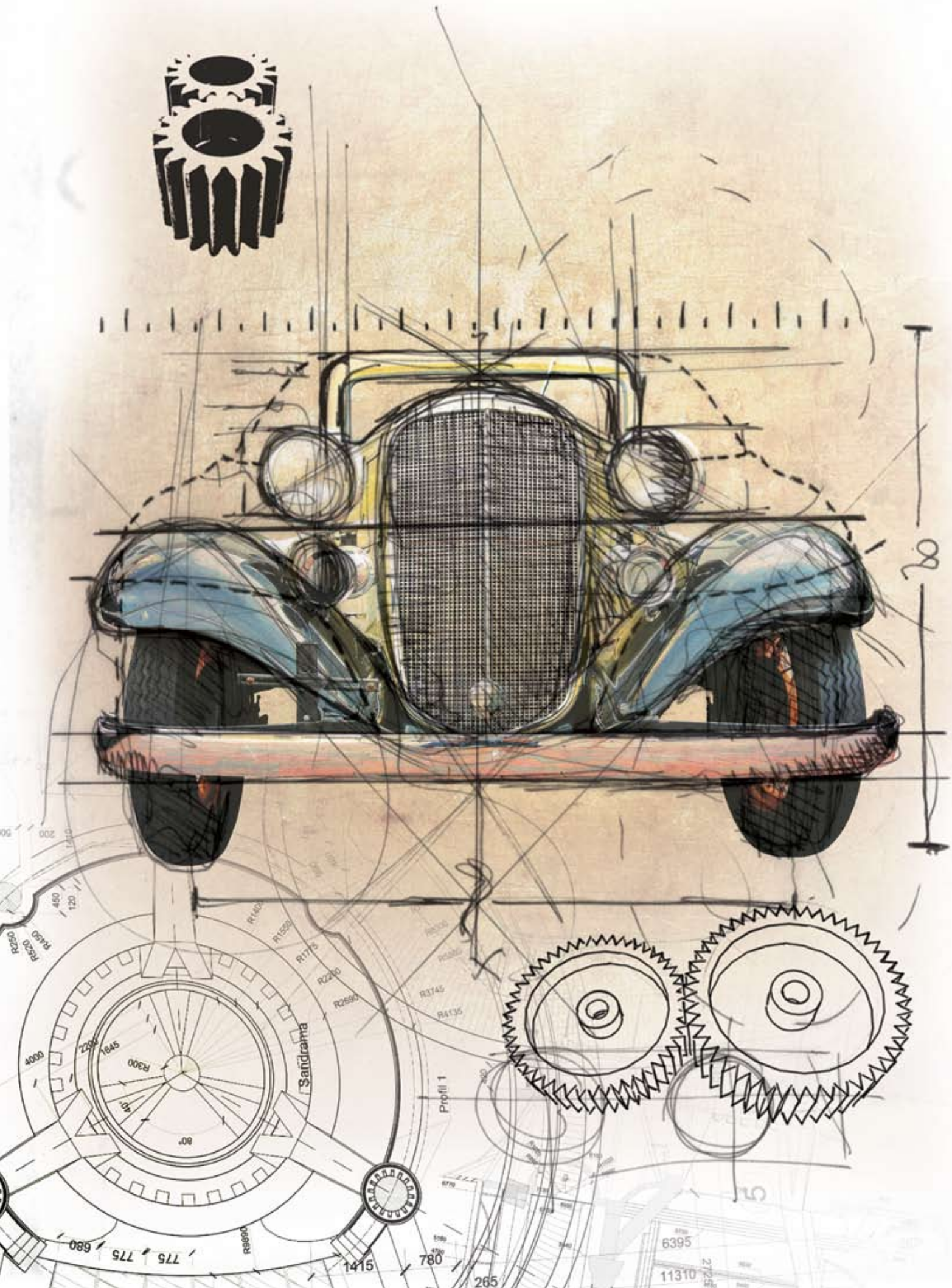


“

The proof of evolution lies in those adaptations that arise from improbable foundations. *Stephen Jay Gould*

”





109

Corporate Governance



Corporate Governance

The Board is responsible for providing leadership for the institution. It ensures that the right strategy and controls are in place in order to deliver value to shareholders, employees and the community.

Corporate governance issues rate high within CIB, both in terms of aligning the interests of shareholders and managers and the monitoring of management through information disclosure and transparent reporting. CIB adopted a sound and effective system of corporate governance best practice, comprising highly professional executive directors and senior management, competent board committees, independent non-executive directors of experience and integrity.

Our corporate governance framework ensures that timely and accurate disclosure occurs with respect to material matters regarding the Bank, its ownership, operations and financial performance. It also advocates the equal treatment of all shareholders with sound protection to their voting rights. CIB has a practice of changing auditors every five years to ensure objectivity and to benefit from new practices.

Another important strength is CIB's board composition. The Board is comprised of a majority of non-executive directors who play key roles. The varied expertise of the non-executive directors has created an unusually strong combination of directors, all with relevant knowledge and balanced skills and experience.

THE BOARD OF DIRECTORS

The Bank's management structure is based upon the centralization of controls at the head office and at the top management level. The management of the Bank's business takes guidance from the Board of Directors, which sets the overall strategy and approves all operating policies.

CIB's BoD currently consists of two executive and seven non-executive members with various expertise. When a board seat is vacant, the Compensation and Governance Committee is responsible for nominating a member, subject to the board's consent, who is then formally appointed after gaining approval at the General Assembly and the Central Bank of Egypt. The Directors meet at

least four times per annum.

In July 2009, Actis, an emerging market private equity specialist acquired 50% of the stake originally held by the Ripplewood consortium in CIB. In December 2009, New York-based Ripplewood has sold its remaining residual stake in CIB and thus marking the successful transition of strategic partnership to be with Actis, who is now the single largest shareholder in CIB. The two seats on the board representing the Ripplewood consortium are now vacant.

Accordingly, the Board of Directors in its new and expanded form consists of the following individuals:

Mr. Hisham Ezz Al-Arab

Chairman and Managing Director
MC¹ ...C

Hisham Ezz Al-Arab joined CIB in 1999 as Deputy Managing Director and was elected Chairman and Managing Director in September 2002. Mr. Ezz Al-Arab has had a wide experience of more than 30 years in global banking activities gained in senior positions at Merrill Lynch, JP Morgan and more recently Deutsche Bank throughout the United Kingdom.

Mr. Ezz Al-Arab has a directorship of the South Asia, Middle East & Africa Region Advisory Board of MasterCard Incorporated. In addition, he is a member of the Court of Honor in the Ministry of Justice of Egypt, the Industrial Modernization Center as well as principal member in the American Chamber of Commerce. Mr. Ezz El Arab is also a member of the board of trustees in the General Association for Social Solidarity-Ministry of Social solidarity, Arab Republic of Egypt and the chairman of the Financial Markets Association (ACI).

Mr. Essam El Wakil

Member and CEO Institutional Banking
RC...M, MC...M, HLIC...C

Mr. El Wakil is a prominent banker having over 35 years of experience in various financial areas including, Treasury & Capital Markets, Corporate, Project & Trade Finance, Islamic Banking and Investment Banking.

He commenced his career in 1976 with the National Bank of Egypt, followed by Arab International Bank, Egypt. Since 1980, Mr. El Wakil spent 28 years with Arab Banking Corporation (ABC) Group in Bahrain, London, New York, Singapore and Egypt. During his last 10 years in Bahrain, between 1996 and 2006, he held several senior banking positions and directorships in both Islamic and Commercial banks in various centers in the MENA and GCC region. In his last role with ABC, he served as the CEO and Managing Director of ABC Egypt.

In April 2008, he was elected as a board member of the Egyptian Federation of Banks.

Mr. El Wakil joined CIB in 2008, as the CEO Institutional Banking and Board Member. In May 2009, Mr. El Wakil was appointed as the Chairman of the Investment Banking subsidiary of CIB, CI Capital. In August 2009, was appointed as Deputy Chairman American Chambers of Commerce, Banking Committee.

¹ Please see the references part, for all abbreviations, at the end of this section

Corporate Governance

Mr. Mahmoud Fahmy

Member

AC...M, GCC...M

Counselor Fahmy is a renowned Egyptian lawyer and international arbitrator. Previously, he was the Chairman of Egyptian Capital Markets Authority, the General Authority for Investments and the Secretary General of the National Council.

Dr. William Mikhail

Member

AC...C

Dr. Mikhail is currently professor of econometrics at the American University in Cairo (AUC), and has been member of CIB's Board since 1997. He obtained his Ph.D. from the London School of Economics, London University, in 1969. Together with his academic career, Dr. Mikhail also worked with international consulting firms and as a U.N. consultant on econometric modelling and economic policy analysis in many countries for more than two decades. He published extensively in econometric theory and applied econometrics in international journals, and supervised many Ph.D. and M.A. theses both in Cairo University and the American University in Cairo.

Dr. Nadia Makram Ebeid

Member

GCC...C

Dr. Nadia Makram Ebeid is the Executive Director of the Center for Environment and Development for the Arab Region and Europe (CEDARE), an international diplomatic position she assumed since January 2004. For a period of five years starting 1997, Dr. Ebeid was Egypt's first Minister of Environment becoming the first woman to assume this position in the Arab World. Earlier in her career, Dr. Ebeid assumed several managerial posts with the United Nations Development Program (UNDP), the United Nations Food and Agriculture Organization's Regional Office for the Near East, Council for Environment and Development Research. In support of her role in environmental policy and advocacy, Dr. Ebeid was awarded numerous awards of recognition and distinctions from local and international NGOs, leading institutions and associations.

Mr. Walid Shash

Member

RC...M

Mr. Walid Shash is currently the Head of the MENA Institutional and Private Wealth Management Business, Union Bancaire Privée (UBP) Geneva. Since his graduation in 1982 with a BA in Economics and Business Administration from the American University in Cairo, Mr. Shash has served in a number of renowned financial institutions; namely, Misr American International Bank, Union des Banques Arabes et Françaises (UBAF), Paris, Lehman Brothers and Prudential Securities in Geneva.

Ambassador Frank G. WisnerMember
GCC... M

Ambassador Frank G. Wisner is the international affairs advisor to Patton Boggs LLP, a full-service firm with a national presence in every major area of legal representation. Prior to joining Patton Boggs, Mr. Wisner served as Vice Chairman of the American International Group (AIG), external affairs, following his retirement from the U.S. government with the personal rank of Career Ambassador, the highest grade in the Foreign Service.

Mr. Wisner joined the State Department in 1961 and served in a variety of overseas and Washington positions during his 36-year career. Among his other posts, Ambassador Wisner served successively as U.S. Ambassador to Zambia, Egypt, the Philippines and India.

Currently, he is on the board of the U.S. India Business Council. Mr. Wisner is a member of the Boards of Directors of EOG Resources, an oil and natural gas exploration and production company and Ethan Allen, a large furniture manufacturer. He has been a member of the Board of Directors of the Pharaonic American Life Insurance Company (ALICO) in Egypt since 2007. He is a senior advisor at Kissinger Associates. Mr. Wisner is Vice Chairman of the Business Council on International Understanding. His non-profit board affiliations include, but are not limited to: Rockefeller Brothers Fund, the American University in Cairo, Princeton University's Middle Eastern Affairs Advisory Board and the advisory board at Columbia University's SIPA.

Dr. Medhat HassaneinMember
AC...M

Dr. Medhat Hassanein, Egypt's former Minister of Finance (1999 - 2004), is currently a professor of Finance and Banking with the Management Department of the School of Business, Economics & Communication at the American University in Cairo.

Dr. Hassanein is a senior policy analyst with long experience in institutional building, macro-policy analysis, financial economic, corporate finance and international financial management. He has previously served as advisor to government, high-level advisory bodies and the donor community. During his term as Minister of Finance, he developed and instituted the second generation set of fiscal public policy reforms for the government of Egypt. Dr. Hassanein has also served as Chairman and Board Member in public holding companies, private corporations and many renowned banks in Egypt, last of which was HSBC Egypt (2004 - May 2009) where he chaired its Audit Committee.

Corporate Governance

Mr. Paul Fletcher

Member
GCC... M

Mr. Paul Fletcher has joined CIB's Board of Directors in February 2010. Paul Fletcher is Senior Partner of Actis, leading the firm from its London headquarters. Actis currently has US\$4.8bn funds under management, with over 100 investment professionals on the ground in 9 offices worldwide.

Mr. Paul Fletcher joined Actis in 2000. Originally a banker with Cargill, and Banker's Trust, Mr. Fletcher moved into corporate finance in the early 1990s with a role at Citibank.

At Citibank, Mr. Fletcher led the East African operations, becoming Head of Emerging Markets Strategic Planning. Paul's career has spanned Kenya, Tokyo, New York, and London; he has two decades of experience in the emerging markets.

Mr. Paul Fletcher is a Founding Director of the Emerging Markets Private Equity Association (EMPEA).

Mr. Fletcher has a Masters in Geography from Oxford University and African Studies, and a trustee of the African Wild Life Association.

Senior Advisor to the Board

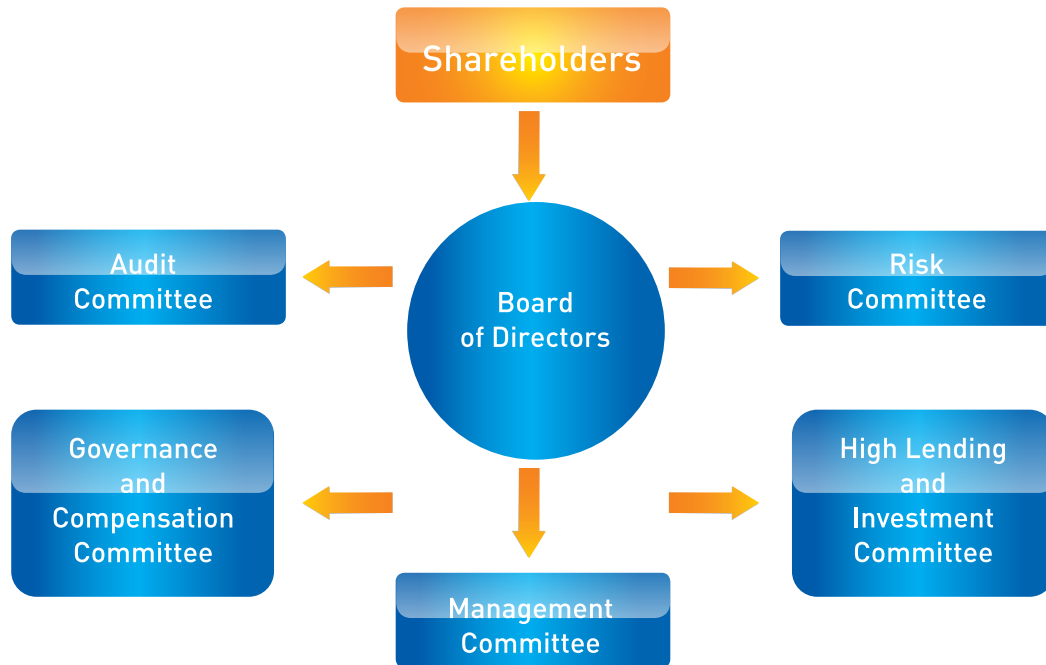
Mr. Robert Willumstad

RC...C, GCC...M

Due to personal commitments and corresponding time constraints, **Mr. Robert Willumstad** has reluctantly opted to step down from his role as a non-executive member on CIB board of directors. Fortunately, Mr. Willumstad has kindly accepted to continue providing his expertise as a "Senior Advisor" to the board, as well as a member in the Risk and Governance and Compensation committees, starting February 2010.

Robert Willumstad is the former Chairman and CEO of AIG and until recently served as President and Chief Operating Officer of Citigroup and was a member of its Board of Directors. After 20 years with Chemical Bank, and 11 years with Commercial Credit and its successor companies, in October 1998, Mr. Willumstad played a critical role in creating Citigroup, a history making combination of the former Travelers Group and Citicorp. After serving as the Head of Global Consumer Lending, Mr. Willumstad was the Chairman and CEO of Citigroup's Global Consumer Group from 2000 to 2003, where he led all consumer businesses, including credit cards, consumer finance and retail banking. In addition, he had oversight of Citigroup's consumer operations in Western Europe, Japan and Mexico.

Mr. Willumstad was named President of Citigroup in 2002, and joined its Board of Directors in 2003; he became Citigroup's Chief Operating Officer in October 2003. He is a Director of MasterCard Incorporated/MasterCard International Incorporated and Habitat for Humanity International. He is a trustee of the American Scandinavian Foundation and Adelphi University.



The Board of Directors’ Committees

To assist the Board in the discharge of its responsibilities, the Board has established the following sub-committees.

Audit Committee

The Committee’s mandate is to ensure compliance with the highest levels of professional conduct, reporting practices, internal processes and controls. Consistent with the interests of all stake holders, the Audit Committee also insists on high standards of transparency and strict adherence to internal policies and procedures. In performing its critical functions, the Committee is cognizant of the important role CIB plays in the Egyptian financial sector as a leader in all of the aforementioned areas.

The Governance and Compensation Committee

The Governance and Compensation Committee (GCC) is an integral part of the overall responsibilities of the Board of Directors (BoD). As such, and in line with CIB’s corporate Governance Framework, the GCC is responsible

for establishing corporate governance standards, providing assessment of Board effectiveness and determining the compensation of members of the Board. The Committee also determines the appropriate compensation levels for the Bank’s senior executives and ensures that compensation is consistent with the Bank’s objectives and performance, strategy and control environment.

The Risk Committee

The primary mission of the Risk Committee is to assist the Board in fulfilling its oversight risk responsibilities by establishing, monitoring and reviewing internal control and risk management systems to ensure that the Bank has the proper focus on risk. It also recommends to the Board the Bank’s risk strategy with all its associated limits.

The Management Committee

The representatives of the Management Committee are the Chairman, the CEO of Institutional Banking, the CEO of Consumer Banking and the COO. They meet exclusively without the attendance of the Bank’s executive

officers. The management committee is responsible for setting the overall strategy as well as the financial and operational performance of the Bank.

The High Lending and Investment Committee

The committee’s prime mandate is to focus on the credit and investment decisions of the Bank. It is composed of the Bank’s top executives that regularly review and decide on the credit facilities, equity investments as well as focusing on the asset quality, allocation and its development. They are responsible for taking decisions with an executive or administrative nature; therefore allowing the BOD to focus on strategies and growth opportunities and in turn decreasing inherent conflicts of interest.

References:

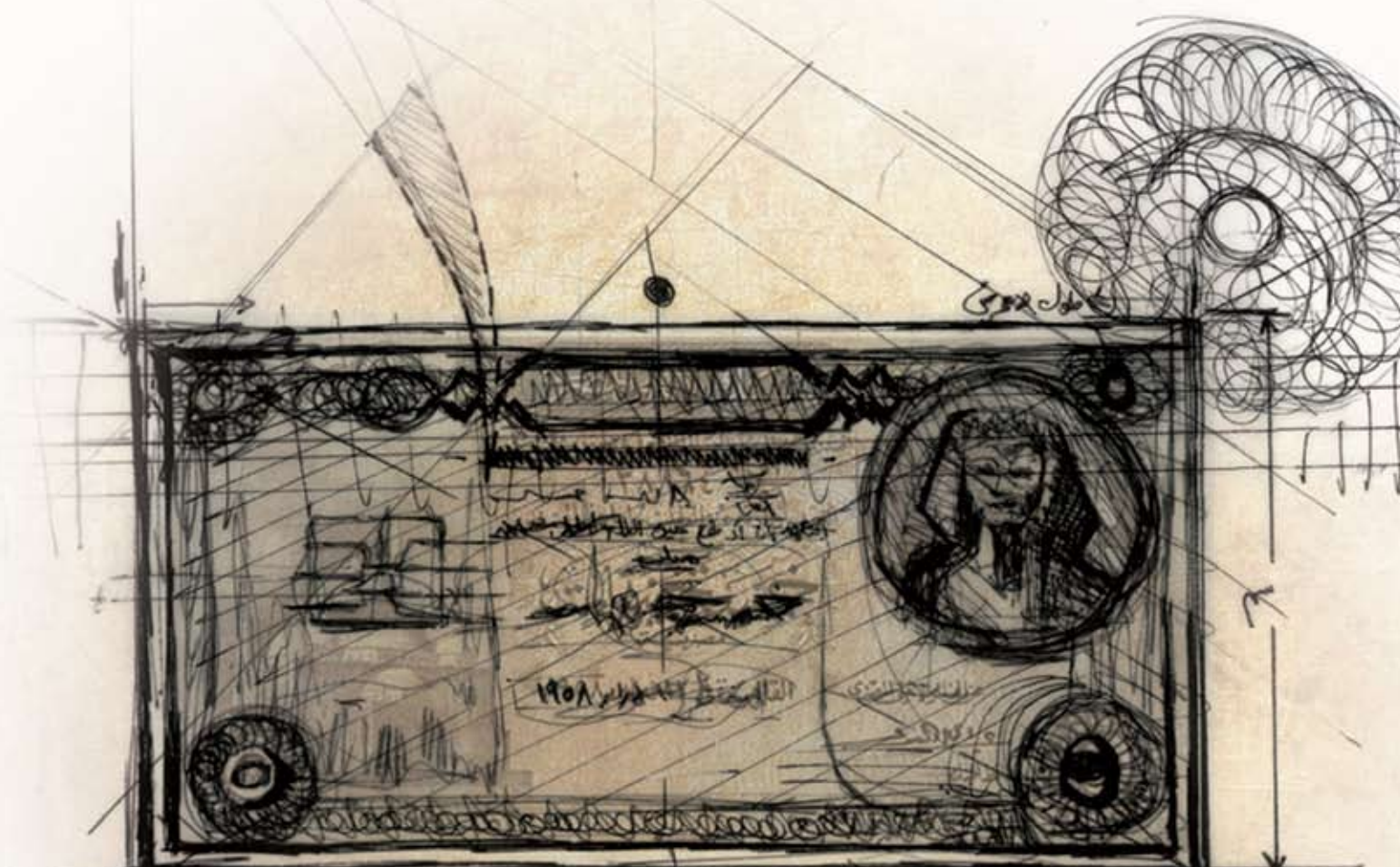
Audit Committee	AC
The Governance and Compensation Committee	GCC
Risk Committee	RC
Management Committee	MC
High Lending and Investment Committee	HLIC
Chairperson	C
Member	M



“

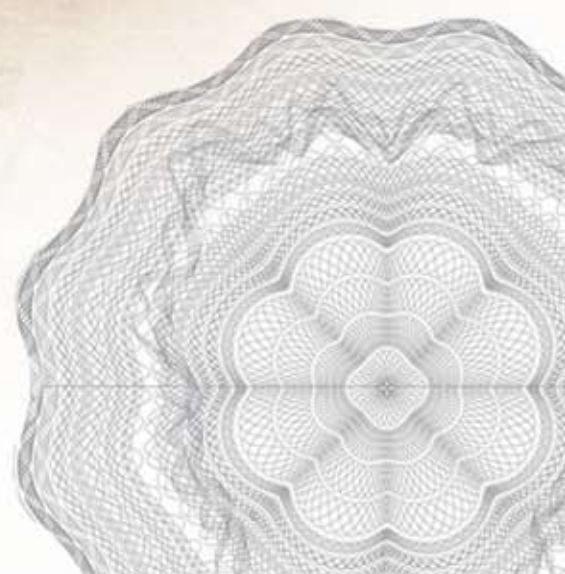
Promise yourself to live your life as a
revolution and not just a process of
evolution. *Anthony J. D'Angelo*

”



حسن بن علي
مصري

Handwritten text in Arabic script, likely a name and a title or location. The text is written in a bold, stylized font. To the right of the text, there are some smaller, less legible markings and numbers.



١٥١ / ٣٦٧٧٠

Handwritten numbers and a fraction, possibly a reference or identification number.

109

2009 Review of Operations



2009 Review of Operations

INSTITUTIONAL BANKING

Business Profile:

Institutional Banking encompasses the main business generation and profit center groups; Corporate Banking, Asset & Liability, Treasury & Capital Markets, Direct Investments, Mid Cap and Strategic Relation represent the main groups participating to CIB's growth and positioning in the market.



Reaching out:

Despite tough market conditions, Institutional banking leads profits generation for CIB backed by:

- Prudent management of asset and liability and net interest margins continues to place CIB among the top performing banks in the Egyptian market.
- Our asset quality management and selective growth strategy represent a strong pillar for maintaining our unique portfolio positioning in the market. The practice enhances our vision for solid future profit generation.
- Focusing on our clients' needs, enhancing our relationships, and continuously upgrading our service are our main approach for bonding our relationships and creating business.
- Specialization, product focus, geographical coverage and industry expertise remain the main axis for creating expertise and increasing efficiencies.

Corporate Banking Group

Profile:

Corporate Banking remains the backbone of business generation. The Group, which is composed of 200 employees servicing more than 650 clients, extends various services, namely; corporate lending, cash management, project finance, structured products, free financial advisory for green field projects and others. The group's structure covers industrial, geographical, as well as product themes through its unique organizational structure and sophisticated caliber.

The project finance, debt capital market and product development embedded in the Structured Project Finance Division represent another area of strength for CIB's Corporate Banking Group. CIB's global product knowledge, unparalleled track record in the local market and capital resources make it an industry leader in the field of project finance and syndicated loans in Egypt. CIB's project finance and syndicated loans team provide large ticket borrowers with better market access, greater ease of execution and timely financial close.

Corporate Banking exclusively maintains its prominent and unique position as a specialized bank in the field of shipping finance. The service offers tailored solutions and banking services for maritime, ports and shipping.

With a portfolio exceeding EGP 28 billion of quality credit extended to various industries, CIB's Corporate Banking remains to play a significant role in developing the economy and setting the benchmark for the lending fundamentals in the Egyptian Market.

Corporate Banking's consistent strategy in addressing financial needs in tough market conditions further highlights its leadership among the excelling banks.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS:

- Corporate Banking prudently managed interest margins for all its corporate banking clients contributing heavily to an improved net interest margin in tough market conditions.
- Efficiently managed growth at 2% in a contracting and deflating market, however, exhibited strength in maintaining its asset quality with a NPL ratio of 2.9%; a rate far below international markets in a stressed market situation.
- Comparatively captured additional market share in contingent and auxiliary business despite the substantial reduction in commodity pricing and exchange rate.
- Captured further confidence of corporate depositors by growing corporate liabilities for both local and foreign currency corporate deposits.
- Closed, financed and executed over 45 sizable deals either directly and solely through the corporate banking or in collaboration with the structured project finance group. Size of the executed deals exceeded EGP 7.6 billion in direct facilities and EGP 2 billion in contingent.
- Significant role in the project finance, securitization, bonds and syndication market. CIB closed 7 deals for a total amount exceeding EGP 12 billion covering deals in almost all sectors.
- Achieved remarkable land marks in structured product lines of business through playing a significant role in the introduction and development of securitization market.
- Through its specialized shipping division catering for maritime, ports and shipping business, Corporate Banking Group succeeds to capture and place strong foothold on the main ports, maritime and shipping business in Egypt.

2009 Review of Operations

Financial Institutions Group

Profile:

Encompassing a diversified lines of business, Financial Institutions Group plays a significant role as a direct contributor to revenue generation and as a goal maker. Our long standing relationship, well entrenched correspondent network and unrivalled custody service are additional pillars for business generation and strong support to the institution's main lines of business.

Global Securities Services Division (GSS) acts as a leading provider of securities products and services to both institutional and individual investors.

The Dubai based representative office represents CIB's window to the GCC and business. Extending finance, capturing Islamic transactions and paving the way for prominent existence in the region through our strong ties developed is our main strategy.

Financial Institutional lending activity to non-bank financial institutions, mainly specialized for lending companies operating in the leasing, insurance, brokerage and investment, represents an additional venue for loan growth and revenue generation.

Growing loans through discounting drafts and commercial paper contributes to loan growth and revenue generation.

Our specialty in finance programs and international donor funds represents a unique expertise among competitive banks. The division mainly handles funds and finance programs provided by Egyptian agencies and international donors.

Our unparalleled International Market And Strategy Agreements Division, mainly established to encourage non-resident Egyptians to transfer their funds to CIB, links Egyptians living abroad to the local market by offering the standard banking services practice through selected local banks in the Gulf and the region.

CIB's Financial Institutions Group continues to support the Egyptian economy's growth through its encouragement for microfinance, strong correspondent network, regional representation and custody service.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS:

- Global Securities Services Division (GSS) recorded a market share of 33.3% in 2009. In collaboration with the Corporate Banking Group, GSS also played a significant role as the major trustee of securitized notes, a product which enjoys strong emphasis as a new debt capital market tool. The Division succeeded in capturing 8 out of 9 transactions launched in the market. GSS also achieved a prominent role being the custodian for 13 GDR programs out of 13 in Egypt.
- Finance Programs and international donor funds division managed a pool of developmental funds reaching LE 1.3bn in 2009.
- Recently, The Division signed an agreement under the Egyptian Pollution Abatement Project EPAP II to provide loans. The program provides a 20% grant component of loan amount for the purpose of upgrading and expanding existing industrial facilities to meet environmental standards, a social corporate responsibility that CIB sponsors.
- Through the Finance Programs, CIB Microfinance portfolio reached 27 thousand beneficiaries with total outstanding amount of EGP 66.2 million as of Dec.09, which is partially financed with US\$ 1.8m from the Spanish Agency for Int'L Cooperation through the Spanish Microfinance Fund.

Mid-Cap

Profile:

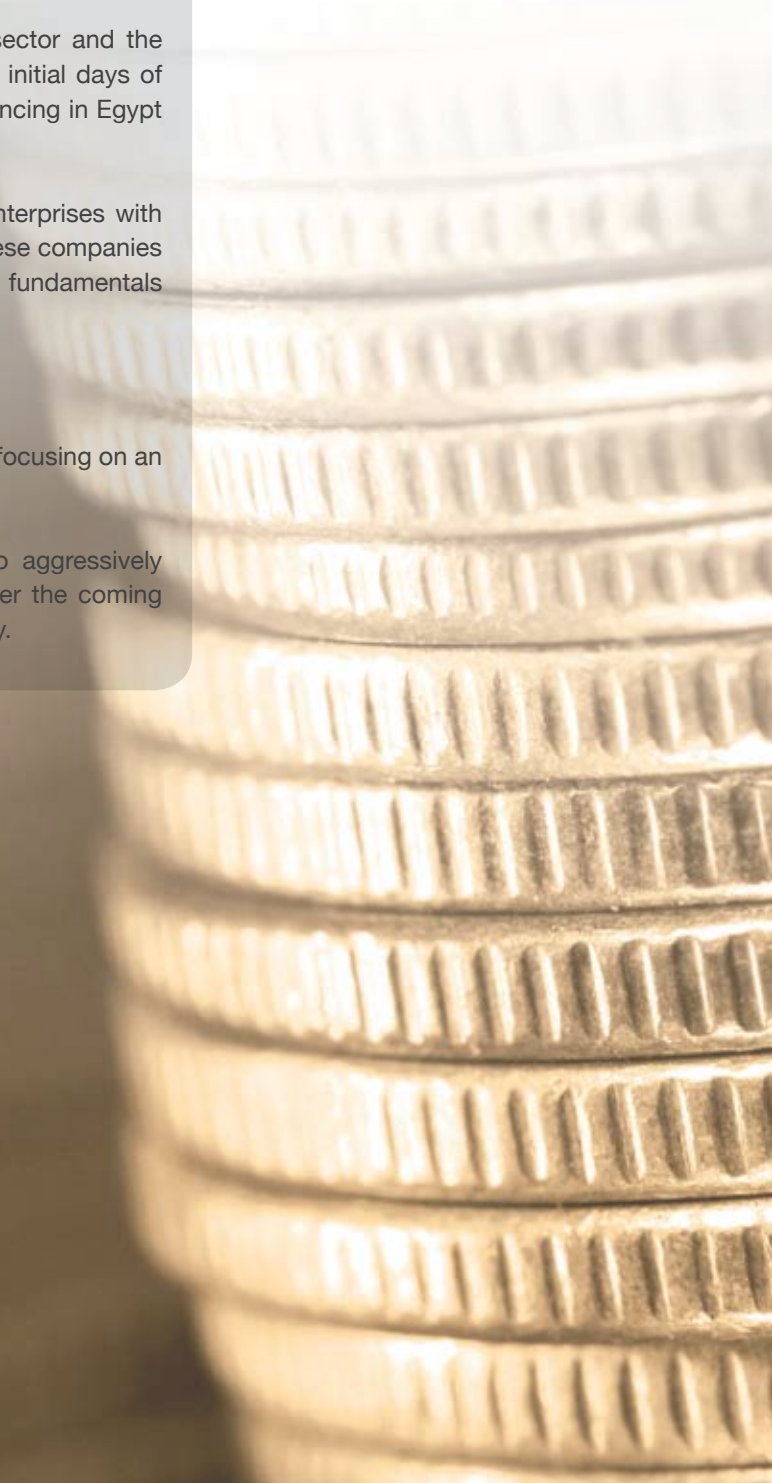
Our established group comprises of 50 well trained officers capable of addressing the market needs. The Group intends to assist the development of the clients' understanding for the importance of the application of the international standards of accounting and corporate governance as key issues for growth and development.

This represents the main backbone for developing this sector and the Egyptian economy as well. CIB has played this role in its initial days of establishment raising the yard stick and benchmark of financing in Egypt to international standards.

An intended significant role in developing medium size enterprises with an objective to set the proper benchmarks for financing these companies and developing the entire market bringing in the essential fundamentals required for growing this sector.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS:

- Underwent a radical restructure to ensure a new take off focusing on an achievable market segment.
- Re-emphasized our historical role and responsibility to aggressively address and gradually develop this market segment over the coming years aiming to objectively grow the market and economy.



2009 Review of Operations

Asset & Liability Management and Treasury & Capital Markets Group

Profile:

The Group represents a main pillar for CIB's performance in the market.

The Group focuses on the management of liquidity and interest rate risk within external and internal parameters. Prudent management of net interest margin to ensure optimization of risk adjusted returns.

Product focus for FX, money market trading activities, primary and secondary government debt trading, interest rate management and hedging represent the Group's main pillars for profit generation and complements our successful market presence for all our clients.

In a global financial crisis, CIB's prudent liquidity and interest rate risk management exhibits the strength, pro-activity, and stability in the local and international markets.

Recognized amongst the few solid performing banks in the crisis, highlights this fact.

Acknowledgement for our pioneer role in providing tight and competitive market making quotes for banks, corporations and retail clients. CIB remains as one of the top banks operating in the Egyptian market.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS:

- Demonstrated a healthy and adequate loan to deposit ratio for both local and foreign currency at an average of 52.84% in 2009. Net interest margins recorded a healthy 3.93% in 2009, being one of the highest amongst the banks operating in Egypt.
- Despite the decline in foreign exchange volume from EGP 300 billion to EGP 250 billion, a 16.70% decline, CIB recorded decent increases in foreign exchange profits, an achievement worth mentioning in a severely competitive market and a significant slowdown in the foreign direct investment's flow.
- Achieved a market share of 31% in treasury bonds through our active primary dealers' desk.
- Expanded our free advisory role to our clients in vulnerable market conditions.



Strategic Relations Group

Profile:

The Group is considered a 'one of a kind' function amongst its peers in the local Banking arena. Focusing on the unique nature of its individual client base, SRG is dedicated to cater to, and nurture CIB's relationship with its major institutional depositors, whose deposits contribute substantially to CIB's stable funding.

The department focuses on over 180 strategic clients, representing the most reputable and renowned international and local Donor Agencies and NGOs, as well as the vast majority of Diplomatic Missions working in Egypt. Through the in-depth knowledge of the nature of its clients' business, the SRG team takes pride in offering innovative, tailor-made products and services to meet the unique individual needs of its clientele base. These products serve to facilitate the clients' business operations as well as their banking requirements.

The success of this department as a function is based on the partnership that it has fostered with its clients over the years. SRG is committed to continue strengthening this partnership, while maintaining the delicate balance between client satisfaction and account profitability.

A unique function acting as partner for our cherished long standing relationships and special clients.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS:

- CIB continues its commitment to its strategic relations and partners in 2009.
- Intends to enhance this scope of business and widen its clientele base in this segment going forward.

Direct Investment Group

Profile:

The Group is specialized in capturing prominent investment opportunities. The Group's strategy targets creating a continuous stream of high risk adjusted returns to enhance shareholders' value.

Our line of business strategically complements CIB's commercial banking activities through bonding the relationships from a joint shareholders' prospective.

Our presence on board of prominent businesses in Egypt entrenches our relationships and ensures our proactive role in the heart of business.

The Direct Investment Group continues to play a significant role with its selective growth strategy. Enhancing the establishment of new potential business in the Egyptian market is our focus.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS:

- The Direct Investment Group has made two major exit transactions during 2009 thereby achieving an average IRR in excess of 25%.
- Substantially contributed to CIB's bottom line profitability.

2009 Review of Operations

“ There are no shortcuts in evolution. *Louis D. Brandeis* ”

CONSUMER BANKING

Business Profile:

CIB has progressed significantly to build a world-class Consumer Banking Franchise. This entails establishing a strong Consumer Banking Organization; a complete backbone to support products, new business initiatives and a comprehensive product menu.

Focus was also to establish a Product Management infrastructure; to prepare the Bank to transition into Relationship Management through focusing on Customer Segments.

CIB, during 2009, has grown many folds & taken a leading market position for the new products launched in 2008, while simultaneously instigating new initiatives planned for the year 2009. Keeping in line with the economic trends, CIB continued to have a robust Risk Management backbone to ensure high quality of business.

The complete operational support assisted in delivering the desired customer experience.

New Initiatives:

CIB continued to expand its product menu by introducing best in class products in the market. The key initiatives were in line with further offers for the Affluent segment. CIB launched “CIB Wealth” with an objective to provide, not only the best service, but also further deepen the relationship with the Premium segment. CIB also launched Platinum card, one of its kind in the region. Additionally, to further enhance relationships with the Premium segment, CIB built a capability to tailor its offerings to match Affluent customer needs.



Reaching out:

CIB continued its efforts to add further convenience to customers, by reaching out to the clients rather than waiting for them to get a hold of us through our branches. This necessitated the following actions:

- CIB to upgrade its Direct Sales Units for some of its key Asset products.
- Build further support through the outbound Telesales Unit.
- Set up a separate well trained CIB Wealth Team to cater to new clients within the Premium segment.
- Own the largest private sector ATM network which stands at 502 ATMs, an addition of 34 new ATMs in 2009.
- CIB also progressed in offering a full functionality state of art ATMs which includes bill payments, cash deposit and 3rd party transfer.
- Invest into new technology for enhancing capabilities of its ATM network and upgrading over 35 ATMs in 2009.

CIB also enjoys one of the largest branch networks in Egypt, now standing at 155 branches, with new net additions of 3 branches in the year 2009. Moreover, the Bank established a service quality function to improve customer experience and ensure that all channels of distribution are fully supported.

All this together has led to new customer acquisitions as well as further improvement in customer service.

2009 ACCOMPLISHMENTS:

CIB continued aggressive growth on all product lines. In spite of 2009 being a difficult year for the liabilities business, the book grew by 16%. On the asset side of the business, CIB established itself as a preferred bank for personal loans and auto loans with an asset book growth of 34%.

CIB's Investment product offerings, backed by its subsidiary CIAM through funds like Osool, Aman and Estethmar targeting varying risk profiles, increased Assets under Management to EGP 6.1 billion, a growth of 68%. In addition, CIB's sister company CIL continued with a range of tailored savings and insurance schemes to complete the full menu of products.

CIB menu of products took an aggressive leap in 2009. The required infrastructure to shift to Relationship Management by driving customer segments was put in place. CIB grew market share in almost all product areas. In fact, in some very new initiatives, CIB moved to a top position in the same period.

1. Cards Business The growth in portfolio was 21%. The Bank launched a platinum card, which was in line with the best in the region as well as a corporate card, which is amongst the best in the market. On the cards acquiring side CIB's market share grew to 28% & POS efficiency outpaced the market growth.

2. Wealth Management was officially launched with a range of products & offers. A new trained set of Wealth Managers were put in place to service the affluent customers.

3. Auto Loans was launched & the Bank captured a leadership position outstripping market growth.

4. Personal Loans program was an overnight success, which helped CIB to create a new benchmark growing at 154% as compared to the previous year.

5. Residential Property Finance CIB continued to grow in this business, but with prudent approach keeping the trends across the region.

2009 Review of Operations

Ongoing Consumer Banking Strategy:

The ongoing Consumer Banking strategy is to realize transition from Product Management to Relationship Management. This change will be one of the key drivers to increase profitability & reduce cost to income ratio.

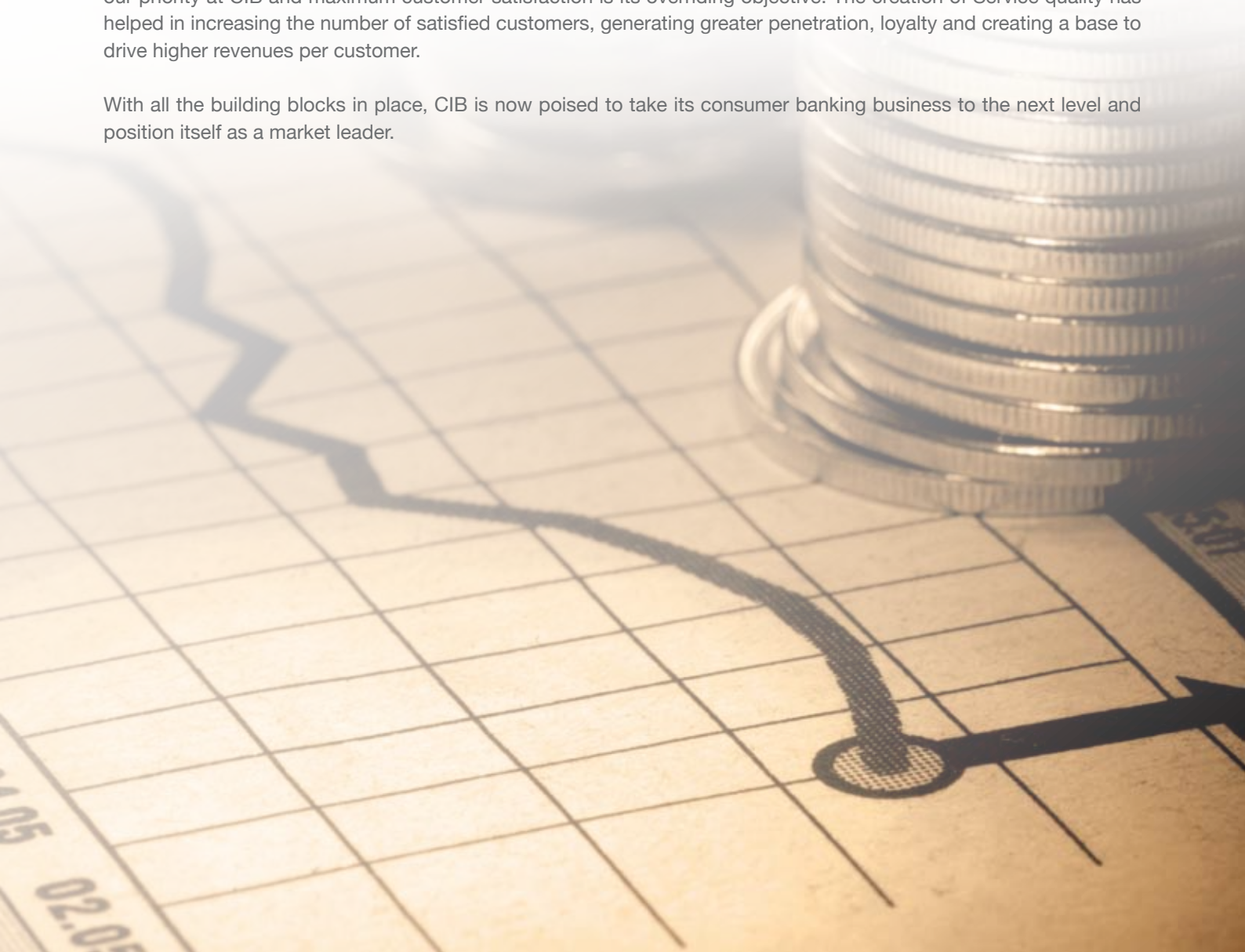
CIB plans to enhance its offerings to the business banking segment and grow the wealth management business.

Insurance will also be one of the key drivers to the fee income in the coming years. The focus will be to improve the penetration of insurance products among our customers.

Customer service remains the key concern at CIB and year on year CIB introduces new services to position itself as a leader in customer experience. CIB plans to invest further in the cutting edge technology and create a robust e-banking platform.

Consumer banking business is focused on business orientation, with optimum earnings. The focal point is our customers; they are provided with a broad range of value adding products and services. Moreover, service quality is our priority at CIB and maximum customer satisfaction is its overriding objective. The creation of Service quality has helped in increasing the number of satisfied customers, generating greater penetration, loyalty and creating a base to drive higher revenues per customer.

With all the building blocks in place, CIB is now poised to take its consumer banking business to the next level and position itself as a market leader.



SUPPORT FUNCTIONS

“CONTINUOUS IMPROVEMENT & SUSTAINABILITY”

Last year CIB started on an aggressive change management plan for the Support Areas. In the last 18 months, COO Area has been restructured, expense rationalized (12% expense increase in 2009 vs. 2008 is an impressive demonstration of cost management without compromising our ongoing investments to our strategic agenda), identified and closed all key skill gaps, centralized our operations and its processes, created a world class MIS and strengthened key operational controls, and we now have a platform to help our businesses in their ambitions. The three guiding principles we will continue to follow in the COO Area are: Standardize, Centralize and Simplify.

This has been a remarkable achievement and is a reflection of the professionalism and commitment from every staff member in the COO area. We are pleased to announce that we have most of the building blocks in place as well as the right team to take this forward and continue with the momentum.

Finance:

Against the backdrop of banking sector wide slowdown following the financial crisis, the role of the Finance Group has ceased to be merely a key support function and instead started to assume an ever-increasing strategic role to the Bank. Following the restructuring process that the Finance Group has been undergoing throughout 2009, the focus shifted from solely providing high quality information in short time towards deploying a comprehensive strategic performance management framework to aid senior management's decision making.

The new structure of Finance Group will help ensure the Bank's smooth transition towards IFRS and help it meet the challenges of its implementation. The scope of restructuring entailed the establishment of a Performance Management and Strategic Decision Support Department. This new structure would develop strategic initiatives, budgeting planning and analysis, performance reporting and a develop a

results-linked rewards system that continuously benchmarks the Bank's operating model and technological infrastructure against international best practices. In addition, a new Cost Control Unit was established to establish cost control guidelines to ensure that contracts and invoices with vendors are negotiated and paid in a timely manner while achieving cost synergies for the Bank.

We believe the restructuring of the Finance Group makes CIB well-positioned to face the challenging market and regulatory environment whilst maintaining its competitive edge and delivering outstanding value to its stakeholders.

Information Technology

CIB continued to build its Information Technology platform in line with the strategy of the organization. The focus areas for 2009 included:

- An upgrade of the existing T24 system to the standard Release 9, and laying of the required foundation for moving other functionality from the existing core system to T24 planned to be completed in 2010.

- In line with its overall strategy for information handling CIB kicked off the Enterprise Data Warehouse (EDW) project. This project includes key business functionality including a Retail Risk Analytics element as well as improved MIS capabilities.
- The Bank has also initiated the Basel II project aimed at making CIB fully Basel II compliant.
- In line with the Retail Bank strategy, IT continued to roll-out new ATMs as well as POS machines and continues to improve the availability of CIB's delivery channels.

In addition to these efforts a number of smaller projects aimed at improving functionality across the Bank were completed. The underlying infrastructure was also upgraded in key areas to handle the anticipated growth within the Bank. A number of important processes and governance was also implemented in preparation for the upcoming strategic projects for 2010.

2009 Review of Operations

Central Operations

2009 has been a turning point for all Operations Departments, as we have successfully put all our road blocks in place. Significant number of processes has been taken out of the Branches and is now managed centrally under the newly established Retail Operations Department. Also the new structure has been implemented in all our Branches segregating all the Operational activities from the Sales & Service functions. Over and above the Service & Quality Department managed to set standards for all customers touch points along with the respective support area, these standards are being monitored and measured on regular basis to ensure that the Bank is providing the best services in the Market.

Last but not least, during 2009 our world class Remittance, Trade Finance & Custody Operations departments have been recognized internationally (JP Morgan STP Quality Service Award, Best Trade Finance in Egypt by Global Finance Magazine & Operational Efficiency from Euro clear) for the high quality of the transactional processing at their end.

Human Resources

This department is committed to provide the best professional services to attract, develop and retain a motivated and diverse workforce with a supportive work environment, to ensure the successful delivery of CIB's business plans and growth aspirations.

In 2009, a number of steps were taken to progress further in the areas of Performance Enhancement and Employee Development, with direct links to Business deliverables.

In 2009, CIB hired approximately 688 staff, mainly in the Sales and Consumer Risk areas, to ensure the proper infrastructure is in place to support the Consumer Banking growth plans.

In line with the Bank's overall objective to expand in the Retail Business, the Training Department acquired a number of dedicated professional trainers (both internally and externally) to aggressively provide training modules focusing on three main skills: Sales, Service & Product Knowledge. These modules were delivered to 5,482 employees to enhance their competencies and maximize their skills. For the entire bank, training was provided to 8,542 in 2009 on technical, business skills and general courses.

The 360 Feedback Process was introduced during September 2009, which delivered multi facet feedback on CIB's 159 senior employees and engaged a total of 2,900 employees.

CIB was the only Bank in Egypt chosen by UNIFEM and World Bank to participate in the Gender Equity Model (GEM) Project launched in Egypt and the Middle East in 2007. CIB's participation and cooperation over 18 months with local and international evaluators and auditors, culminated in the successful accreditation of the Gender Equity Seal to CIB with 81% in August 2009.

Corporate Service Department

A complete restructure for the corporate services department took place with a clear and aggressive objective to improve the productivity and quality of services rendered to all staff and business areas. The department has a clear vision and approach on vendor management to ensure products are delivered on target date and time with optimal cost. The challenge for 2010 is to further review all services in order to enhance service to our customers and utilize opportunities for outsourcing wherever possible.

Premises & Projects Department

One of our vital objectives was to consolidate the Branches Projects and Head Office Projects departments together. Its mission is to optimize our space utilization in the most cost efficient manner and maintaining the standards of CIB brand image.

Key highlights:

- 6 new branches and 2 new FX offices were opened in 2009, in addition to renovation of three branches.
- CI Capital Building in Smart Village was completed in 2009. This building is one of the biggest projects CIB has handled with 14,000 sq.m and capacity to handle 800 employees.
- 34 New ATMs were added to the CIB network in 2009.

Marketing & Communication Department

Efforts were focused this year on positioning CIB as the brand that delivers best financial services. We capitalized on CIB's position and the awards gained by The Banker, Euromoney, Global Finance and emeafinance in our internal and external communications to increase Brand's equity in the market.

In line with our strategy on Corporate Social Responsibility this year we sponsored health development projects of Yehia Arafa Children's Charity Foundation and Cairo University, Faculty of Oral and Dental Medicine.

In the Consumer Banking business, this year we launched a series of products' marketing campaigns among which are Auto Loans, Platinum card and introduced CIB Wealth brand for the wealth management program.

2009 Review of Operations

“The beginning of knowledge is the discovery of something we do not understand. *Frank Herbert*”

RISK MANAGEMENT

At CIB, we seek to achieve an appropriate risk-reward balance, and continue to build and enhance the risk management capabilities that will assist in delivering our growth plans in a well controlled environment.

The Bank has strategically acquired a top of the line Risk Management Solution, not only for the purpose of Data Management pertaining to Basel II compliance purposes, but also for Portfolio Management as well as the upgrade of the Management Information System and Risk Analysis.

Credit Risk Management

Institutional Banking

CIB's Risk Management continues to act as the backbone of the Institutional Banking. The Risk Management Group ensures compliance with the Regulator's directives & guidelines in addition to setting prudent risk policies and ensuring their implementation in order to maintain CIB's healthy Loan Portfolio and minimize impaired loans. In this respect, the Risk Management Group has undertaken several proactive measures to set tighter controls through updating the Credit Policies and the Credit Ceilings that are even stricter than those imposed by the Regulator.

In light of the prevailing global turmoil and the worldwide trend to move towards a tighter credit environment, CIB's Risk Management in coordination with the Institutional Banking Group has formalized the Bank's adopted risk strategies into a well defined framework whereby the Industry Limits have been set to ensure a diversified asset base where CIB focuses on non cyclical segments that are not susceptible to adverse economic conditions and can sustain the current turbulence. Moreover,

Overseas Exposures are continuously overviewed to avoid excessive exposure to any specific country.

The highest internal approving body closely monitors the performance of all credit accounts bank wide where the Past Dues Analysis Report is reviewed bi-weekly. The Risk Management Group is adopting a proactive provisioning policy as soon as early warning signals arise whereby additional provisions are instantly charged.

Regarding the Correspondent Banks Credits, continuous monitoring & reviewing are adopted noting that several banks were downgraded to ensure that adequate provisions are accounted for, intensive bank analysis is conducted and included in all Correspondent Banking Credit Reviews presented for approval, meanwhile, approved Correspondent Banks' lines have been considerably downsized specially with respect to banks that have been seriously hit in the crisis.

One of CIB's key strengths is the common credit culture that has been

fortified over the years to reach a robust credit environment that is unmatched in the institutional arena where all credit officers and analysts are certified through CIB intensive in-house Credit Training Program (founded in the 70's by Chase Manhattan bank based on its credit module). The credit approval process is well designed and controlled to ensure timely and smooth credit approval starting from the preparation of the credit review, then the review of the concurring departments till final approval through one of the committees. It should be noted that the Risk Management conducts, as required, comprehensive qualitative and quantitative analysis of all credit presented for approval and Risk Managers are voting members in all the Bank's Credit Committees.

Consumer Bank Risk Management Unit

The Consumer Risk Unit has made significant progress over the last year in strongly embedding the risk framework and supporting the aggressive Consumer Banking Asset growth.

2009 has been a year of enhancements and upgrades after the initial restructuring and consolidation in 2008. Consumer Risk Unit has shown significant efficiencies across all functional domains. Collection efficiencies have been enhanced through automation of collections with the implementation of Debt Manager and enhancing collection reach through collection agencies spread across Egypt. Significant progress made in the area of portfolio monitoring through complete overhaul of retail risk data architecture and inculcating a culture of periodic portfolio reviews and data driven decisioning. Significant underwriting efficiencies achieved through process re-engineering, economies of scale and centralization. New products such as Auto Loans have been rolled-out and there has been complete revamp of existing products to address dynamic changes in the market and competition while addressing the risks in products such as Credit Cards, Personal Loans, Secured Overdrafts and Merchant Acquiring businesses. The newly formed Central Fraud Unit under Retail Risk now has a complete holistic overview of all application and transactional fraud across the Consumer Banking framework.

While there has been significant growth in the Retail Asset portfolio, the loss trends continue to be stable. A pragmatic approach to building business volumes with calculated risk has been the basic guiding principle for all Retail Risk decision making. The Retail Risk Unit is equipped to support the aggressive growth envisaged in 2010 and the strategy will continue to be furthering efficiencies and effectiveness through productivity enhancements, automation and implementation of decision making tools.

Aggregate Portfolio Quality and Provisioning

The Bank's prudent Risk Rating and Provisioning Policy have enabled CIB to build up substantial provisions against possible loan losses. Total Loan Loss provisions reached EGP 1.66 billion in December 2009, compared to EGP 1.61 billion in 2008, despite the write off of EGP 65.5 million in 2009, compared to EGP 96.0 million in 2008.

	2006	2007	2008	2009
Gross Loans (000's of EGP)	18,503,584	21,465,494	27,738,625	28,747,309
NPL (% of loans)	3.8%	3.0%	3.0%	2.9%
Charge Offs to Date (000's of EGP)	1,269,741	1,447,577	1,543,638	1,609,105
Recoveries to Date (000's of EGP)	206,742	251,214	314,974	338,929
General Ratio (Direct Exposure only)	2.8%	3.37%	3.42%	3.34%
Recoveries to Date / Charge-offs to Date	16.3%	17.4%	20.4%	21.1%

Due to CIB's ability to restructure the Non-Performing Loans, the Bank has improved its NPL Ratio to 2.9% as of December 2009, down from 3.0% in 2008.

The Department continues to make valuable contributions to the Bank's performance with aggregate Recoveries of EGP 338.9 million as of December 2009, up from EGP 314.9 million in 2008.

2009 Review of Operations

Basel II Grounding

In line with CIB's efforts to comply with the Basel II Accord, the Bank intends to initially adopt the Standardized Approach for Credit Risk across all the asset classes. In preparation for the Internal Rating Based Approaches, the Bank has a Statistical Rating Model developed to estimate the PD (Probability of Default) risk component for every corporate obligor within the Corporate Asset Class, in line with the Foundation IRB Approach. This model was built using the Bank's own data (namely financial, non-financial and past-due data). The model is being used on an annual basis to rate the entire Corporate Banking Portfolio. The data collection process has commenced for the Corporate Asset Class' other two risk components namely; LGD (Loss Given Default) and EAD (Exposure at Default) in order to ultimately adopt the Advanced IRB Approach. Furthermore, pursuant to the Bank's acquisition of a renowned Risk Management Solution, it is our strategy to incorporate said models within the system.

The Bank has an expert scoring model for the Mid-Cap portfolio. It is currently being used to score the portfolio on an annual basis. The model will be subsequently validated and calibrated into a PD model once the portfolio reaches a certain size.

Market Risk Management

Despite the Bank historical possession of relatively small trading equities, FOREX and interest rates positions, the Market Risk Management team has been assigned to monitor the Bank's Market Risk.

Through various techniques the MRM team is in charge of quantifying and modeling the Expected Loss that may arise from adverse movements in FOREX, Equities and Interest Rates. These techniques include Value-at-Risk, Stress Testing, Scenario Analysis and Economic Value of Equity. All the above techniques are regularly conducted to ensure the adequacy and solvency of CIB's financial position from the Market Risk perspective. The conclusion of the aforementioned tests has consistently proved the soundness of the Bank's equity cushion and its well diversified risk profile.

Operational Risk Management

Operational Risk Management aims to manage and control Operational Risk in an effective manner within targeted levels of Operational Risk consistent with the Bank's risk appetite.

The Operational Risk Management Department is responsible for:

- Identifying, assessing, analyzing Operational Risks, designing controls and monitoring their effectiveness, setting appropriate Action Plans to mitigate control gaps and to minimize the residual risks.
- Maintaining an acceptable level of internal control, appropriate to the scale and nature of operations.

The Operational Risk Management framework helps different departments to fulfill their responsibilities by defining a standard Risk-and-Control-Assessment Report, Action Plans methodologies and providing a tool for the systematic reporting of Operational Loss Data.

A centralized database will be used to record the results of the Operational Risk Management processes.

“ We often discover what will do, by finding out what will not do; and probably he who never made a mistake never made a discovery. *Samuel Smiles* ”

COMPLIANCE

Established in March 2007, Compliance acts as an independent function reporting to the Chairman of the Board to protect the Bank and all the stakeholders against any potential Regulatory, Reputation, Money Laundering and Fraud Risks. It is comprised of the following divisions:

- **Compliance with Policies and Procedures:** Aligns with all lines of businesses to ensure that CIB does business together with compliance with existing local Regulations as well as International Best practices.
- **Compliance with Anti Money Laundering:** Responsible for ensuring proper client due diligence through the Know Your Client concept.
- **Corporate Governance and Code of Conduct:** Responsible for ensuring that the Bank Complies with the adopted Corporate Governance Code. In addition, Code of Conduct Compliance remains to be paramount for all CIB Board members and Management.

During 2009 continuous focus on having clear channels for escalation of violations, breaches, fraud and staff misconduct through the “Whistle Blowing” concept.

Also a Staff Petition Committee comprised of Legal, Personnel and Compliance representation was established to act as an independent body that oversees employees’ issues together with Senior Management.

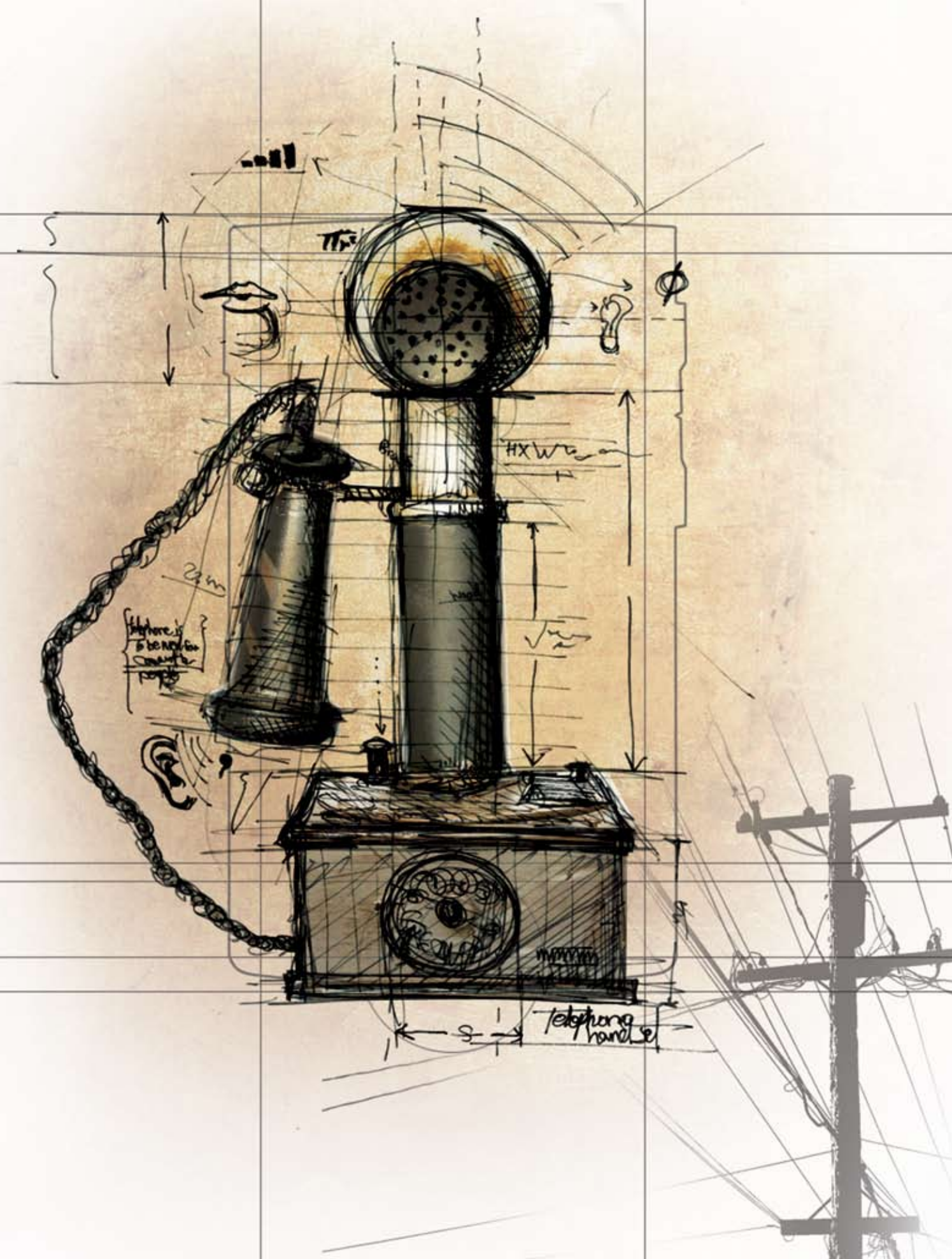
- This year our focus is **Customer Service Quality**. With this priority, a **new Customer Complaint Investigation** division was established under Compliance to align with the Customer Care Unit in managing complaints and ensuring prompt handling.



“

The best way to predict the future is to
invent it. *Alan Kay*

”



109

Strategic Subsidiaries and Affiliates



Strategic Subsidiaries and Affiliates



CI Capital Holding

is a fully fledged Investment Bank which was founded in 2006 with a paid-in capital of EGP 550 million.

Capitalizing on its strength as Egypt's leading private Bank, CIB orchestrated its entry into the market of financial flows, investment and securities trading with the 100% acquisition of CI Capital Holding in 2008 to become CIB's full fledged investment banking arm.

Profile:

CI Capital is an integrated financial services group offering financial solutions through its diverse platform for Securities Brokerage, Investment Banking, Asset Management and Private Equity; all served by a strong research arm.

CI Capital's present network of shareholders, investors and management have an outstanding influence in the Egyptian financial and business communities which is key in identifying solid opportunities with sustainable growth prospects for the group.

CI Capital's experienced management team have formulated and executed many of the landmark investment banking and brokerage deals in the Egyptian market.

In 2009, CI Capital has been short listed by Africa investor (Ai), a leading international investment research and communication group, as one of the best seven firms in the following two categories:

- 1- Best Research Team in Africa.
- 2- Best Investment Bank in Africa.



Securities Brokerage

Profile

Through its brokerage arm, CI Capital offers a wide range of securities brokerage services that cater for different clients through several desks including:

- International Clients
- GCC & High Net-worth individuals
- Retail
- Local Institutions
- OTC
- Fixed Income & International Equities
- E-Trade
- GDR

CI Capital has two fully owned local brokerage companies; Commercial International Brokerage Company (CIBC) and Dynamic Securities. In addition, it owns a 50% stake in CI Capital Gulf, a securities brokerage company based in Abu Dhabi, UAE.

CI Capital has one of the widest network operating 11 CIBC and Dynamic branches. In addition, through its brokerage arm in UAE, CI Capital offers its brokerage clients direct access to the UAE capital markets.

2009 Accomplishments:

In 2009, CI Capital securities brokerage was ranked 4th with a market share of 4.05% for both its Egyptian brokerage houses with a total trading volume of EGP 33 bn.

During July 2009, CIBC executed the sale of a 9.3% stake of CIB Global Depository Receipts from Ripplewood to Actis with a total value of EGP 2.73 billion.



Commercial International Brokerage Company (CIBC)

Profile:

Commercial International Brokerage Company (CIBC), one of the leading brokerage companies in Egypt, was established in 1998 to take advantage of Egypt's emerging capital market.

2009 Accomplishments:

In 2009, CIBC was ranked 4th with a market share of 3.14% and a total trading of EGP 25.64 bn.



Dynamic Securities Trading (Dynamic)

Profile:

Dynamic Securities Trading (Dynamic) is a local securities brokerage house. Since its establishment, Dynamic has been providing top-quality brokerage services to its wide base of clients with a special focus on retail. Dynamic became part of CI Capital Holding following its acquisition in 2006. Dynamic currently operates through 3 branches located in Mansoura, Heliopolis and Alexandria, in addition to its headquarters in Mohandeseen.

2009 Accomplishments:

In 2009, Dynamic's total trading volume reached EGP 7.37 bn.

Strategic Subsidiaries and Affiliates



CI Capital Gulf

Profile:

CI Capital Gulf is the Group's brokerage arm in Abu Dhabi - UAE. The company is a joint venture between CI Capital and Oman & Emirates Investment Holding (which is jointly owned by the Government of Abu Dhabi and the Government of Oman). Given such ownership structure, CI Capital Gulf was the first brokerage company to operate in both the UAE and the Omani financial markets.

2009 Accomplishments:

A new management contract was signed with our partners (Oman & Emirates Company) by which management control was transferred to CI Capital. The company's name was then changed from United Brokerage Company (UBC) to CI Capital – Gulf, where it will serve as CI Capital's Brokerage arm in the Gulf.



Investment Banking

Profile:

Carrying on CIB's investment banking tradition, which dates back to 1991, CI Capital Investment Banking offers one of the most focused, experienced and professional advice as well as execution capabilities in Egypt.

Being part of the investment banking arm of CIB, CI Capital Investment Banking enjoys a unique vantage point in terms of:

- » Access to deal flow.
- » Unparalleled sector, industry and company knowledge.
- » Access to and ability to raise and structure debt capital.

CI Capital Investment Banking Offers:

Equity Capital Markets:

- » Private Placements
- » Initial Public Offerings
- » ADR / GDR Listing
- » Valuation Advisory

Mergers & Acquisitions:

- » Buy Side Advisory
- » Sell Side Advisory
- » Asset Disposal Programs and Divestitures
- » Management Buy-Outs and Leveraged Buy-Outs

MID-CAP Companies:

The country's first dedicated unit providing corporate finance advisory and NILEX listing to mid-size enterprise sector on accredited NOMAD, such strategy reflects the group philosophy and culture as big Relationship Bankers rather than transaction Bankers.

2009 Accomplishments:

CI Capital Investment Banking has executed 5 M&A and corporate finance deals with a value exceeding EGP 1.9 bn. The company also managed to add new caliber with international experiences to enhance its deal-execution teams, in addition to enhancing the company's backlog with various deals having high probability of execution over the coming eighteen months.



Asset Management

Profile:

CI Capital's asset management arm "CI Asset Management (CIAM)" was established in 2004 to manage investment portfolios and mutual funds. CIAM is considered the first private institutional asset management firm in Egypt with total assets under management standing at around EGP 8.01 bn as of December 2009.

The company manages four funds, namely:

- » **Osoul**, one of the largest and best performing money market funds in Egypt with assets under management of EGP 6.7 billion.
- » **Istethmar**, the company's first equity fund launched in April 2006 with assets under management of EGP 295 million as of December 2009.
- » **Aman**, a Sharia'a-compliant fund, in cooperation with both CIB and Faisal Islamic Bank of Egypt, launched in October 2006 with assets under management of EGP 62.8 million as of December 2009.
- » **BLOM Bank**, launched in September 2009 with asset under management of EGP 132 million as of December 2009.

CIAM also provides portfolio management services to a wide array of CIB and CI Capital clients, offering full-discretionary services to high net-worth individuals and institutional investors. Clients are provided with comprehensive and personalized services, which are tailored to their investment and reporting requirements.

The list of existing and targeted clients includes Egyptian banks, insurance companies and financial institutions, as well as pension funds.

2009 Accomplishments:

CI Capital Asset Management managed to increase its assets under management by 63.2% to reach EGP 8.01 bn by end of 2009. In addition, in September 2009, the company launched a new money market fund in cooperation with BLOM Bank - Egypt.

Strategic Subsidiaries and Affiliates



CI Capital Private Equity

Profile:

CI Capital Private Equity was established in 2009 as the specialized Mid-Cap Private Equity arm of CI Capital Holding. It comprises of a team of investment professionals with a combination of international experience and local market knowledge and a diverse set of skills and backgrounds.

In 2009, CI Capital Private Equity launched a closed-end private equity fund to invest in Egyptian mid-cap industrial enterprises needing growth capital. The Fund is co-sponsored by CIB and the Industrial Modernization Center (IMC) and will provide companies with access to capital and technical services.

The Fund provides its investors the only access to the mid-size enterprise sector, which is the largest and fastest growing segment in the Egyptian economy. It has a life of 7 - 8 years, and hence is an excellent investment vehicle for investors with a long-term investment horizon.



CI Capital Research

Profile:

CI Capital Research was established in 2005 as an independent research house to serve the Group's institutional and retail clients. The company was later integrated with-in CI Capital Holding. CI Capital research used to be the Research Department of CIBC since 1998. The research team is comprised of some of the most experienced and top notch industry analysts in Egypt.

The equity research team includes certified analysts covering the various sectors and companies traded in the Egyptian stock market. In fact, the industry research team supports investors in their investment-decision process in the Egyptian market through in-depth studies that cover several sectors. Moreover, the economic research team tracks, analyzes and projects macroeconomic indicators in the Egyptian market, which feed into equity and industry research analysis.

2009 Accomplishments:

The Research department expanded equity coverage from 28 to 46 companies covering 12 sectors, and now has the widest coverage of the Egyptian market. It also started its expansion into the wider MENA region which is expected to continue through 2010 as more companies and countries are added to the universe.

During 2009 the following products were launched:

1. Your Week In Egypt - a weekly report covering Egypt's economy, sectors, companies and stock market.
2. The MENA Ringtone - a weekly regional Telecom report.
3. The Global Cement Bag - a monthly sector report.
4. CI Capital 100 Handbook - a manual on the 100 companies in the CICH 100 Index.
5. Started coverage UAE and Kuwait.

Look East Initiative

In its attempt to expand its operations internationally, CI Capital has launched a new "LOOK-EAST" initiative that started by opening a representative office in Hong Kong to help generate and market investment banking deals. The second step in that initiative was to organize an "Egypt Day in Singapore" in cooperation with large institutions in Egypt and Singapore. Such event enabled many Asian institutions in Singapore to be better oriented with the large investment opportunities in the Middle East. It also helped CI Capital to position itself as being their investment partner in Egypt.

Strategic Subsidiaries and Affiliates



Commercial International Life Insurance Company S.A.E.
شركة التجاري الدولي للتأمين على الحياة ش.م.ع.

Commercial International Life Insurance Company (CIL)

Profile:

Commercial International Life Insurance Company (CIL) seeks to meet the savings and protection needs of individual and corporate customers with insurance products that offer excellent value-for-money.

Leveraging on the strength of its two respected shareholders, Legal & General of the UK and Commercial International Bank (CIB) of Egypt, and a successful bancassurance sales model, CIL has risen rapidly to be among the largest companies in the Egyptian life insurance industry.

Approaching ten years of operations in Egypt, CIL looks forward to another decade of meeting the high growth expectations of its shareholders and contributing further to the development of the life insurance sector in Egypt.

2009 Accomplishments

CIL currently insures the lives of more than 250,000 people, and provides retirement savings programs for almost 20,000 people. Sales, revenue and earnings have increased significantly over 2008, despite the challenging economic environment in the early months of the year.

Forward Strategy

In the future, CIL is determined to:

- » Build a strong and vibrant company; through strong and sustained growth in sales of profitable products to individual and corporate customers.
- » Ensure high customer satisfaction; by offering competitive, value-for-money products using a transparent and needs-based sales process, supported by exceptional ongoing customer service.
- » Contribute materially to CIB's revenue base; with strong sales growth, high policy persistency and maximisation of synergies with CIB affiliate companies.



International Appraisal and Collection Company

Profile:

IACC was established in 2007 as an Egyptian joint stock company. CIB is the largest shareholder, with 40% stake of the company's capital, and CIB Social Insurance funds 37% and the residual is divided among various investors.

IACC specializes in the evaluation of real estate and movable assets, including, but not limited to, the machineries, equipments, ships, touristic villages, vehicles and products. The company also conducts external verification and field

investigations on the individuals and companies, in addition to debt collection.

Moreover, the company performs the ownership research procedures for real estate and movable assets, as well as, providing assistance in legalizing in kind rights (registration and mortgaging of lands and buildings) and incorporation of companies.

In addition, IACC sells real estate and movable assets through public auctions or closed proposals.

2009 Achievements:

IACC was recognized by the CBE as one of the recommended experts in real estate, machineries and equipments collateral evaluation.



Egypt Factors

Profile:

EGYPT FACTORS S.A.E (EGF) is a joint venture between Commercial International Bank, Egypt "CIB" and FIMBank plc, Malta with 40% each, while IFC (member of World Bank) holding the remaining 20%. EGF is the first non-banking financial institution in the Arab Republic of Egypt that is purely specialized in factoring; EGF is registered in the Register for Factoring Companies under number # 1.

With a clear focus on non-traditional trade finance instruments, Egypt Factors is committed to support and promote Egyptian cross-border trade, i.e. exports and imports as well as domestic trade. Egypt Factors provides a receivables management service package that consists of the following:

- » **Administration & Commercial Collection:** EGF will take care of a complete debtor bookkeeping as well as monitoring and following-up all outstanding invoices. All collection measures will be professionally taken care of by EGF in more than 60 countries around the world including Egypt. It bridges differences in mentalities, languages, market habits as well as the legal environment through huge correspondents' network (more than 240 correspondents all over the world).
- » **Funding:** EGF will advance up to 90% of all covered receivables.
- » **Bad Debt Protection:** EGF guarantees 100% payment up to a limit established on each buyer and will settle covered undisputed receivables if not paid after a defined period after the due date. Buyers are under periodic evaluation to make sure that upcoming risks are recognized on time.

The company targets all producers, traders, and service providers conducting transactions based on short-term deferred payments. In addition to domestic buyers from local or foreign sources that will be delighted to realize that their purchasing power will increase without their banking facilities being tied up.

Strategic Subsidiaries and Affiliates

For large corporations, factoring is advantageous, since it provides them with value added services & non-recourse funding, which protects them and improves their efficiency and financial ratios. Meanwhile, factoring is still considered more beneficial to the SMEs, in terms of liquidity and growth.

2009 Accomplishments:

After Egypt Factors was successfully launched officially during November 2008, through the “Egypt Trade & Export Finance Forum”, EGF has dramatically grown achieving a sound portfolio of 73 corporate clients (mostly SMEs), approved facilities reaching up to EGP 230 million and turnover in the level of EGP 200 million. This robust growth was backed by the introduction of the Vendor Finance Program (or purchase factoring) and the increasing demand on domestic factoring.

According to the Factors Chain International "FCI" statistics, EGF has achieved the highest volume of international trade handled through the FCI network among the Egyptian Factors.



الشركة الدولية للأمن والخدمات ش.م.م.
International Security & Services S.A.E.

International Security & Services Company (Falcon)

Profile:

International Security and Services Company (Falcon) has been established during 2006 as a CIB subsidiary engaged in the provision of various security services for the bank, its affiliated companies, as well as third party entities.

CIB holds a stake of 40% in the company's capital. The company's services consist of securing & protecting facilities and VIPs, providing High-Tech industrial and non-industrial security systems, offering security consultation as well as physical funds transfer, managing projects and tourism and general services. The company also provides consultancy and training programs in industrial safety. Recently the technical sector provided the installation of explosive detectors robot, which is utilized also in riot incidents.

2009 Accomplishments

During 2009, the company has succeeded to sign significant contracts with reputable institutions in Egypt, including but not limited to World Bank, International Labor Organization, U.N, foreign embassies, Bank of Alexandria, Egyptian Gulf Bank as well as a significant number of additional corporate customers (petroleum cos., tourism cos., multinational FMCGsetc.). In addition, the company was responsible for security matters of two big events that took place in Egypt, namely Cairo International Film Festival and Beyonce concert. Also, on the technical support side, the company signed contracts with

a significant number of additional clients, such as compounds in 6th of October and 5th district, museums and the armed forces. Thanks to these efforts, the number of security, cash transfer and technical support signed contracts has been increased significantly by 30.5%, 44.35% and 446.7% respectively in 2009 compared to 2008.

The company, in December 2009, has established a new company for general services and projects management; it is mainly engaged in conferences, exhibitions and festivals' arrangements, cleaning services and maintenance. The company has succeeded to sign contracts with reputable organizations, such as American express, International Labor Office, 4 Seasons Hotel...etc. it is worth highlighting that the company will be covering all governorates.

Besides its four branches in Cairo the company now operates in Tenth of Ramadan, Sixth of October, Alexandria, the Red Sea, Sharm El Sheikh, Assiut, Luxor and Aswan with a headcount of 2,191 employees.



Corporate Leasing Company (CORPLEASE)

Profile

Corporate Leasing Company (CORPLEASE), 40% owned by CIB, is one of the top three leasing companies in Egypt and offers a full array of lease finance products to the corporate market with emphasis on mid-cap companies.

2009 Accomplishments:

In 2009, CORPLEASE's business volumes grew by 100% from 2008, its market share grew to 30% and profitability increased fourfold. The credit quality of the lease book continues to be highly favorable with minimal impact seen from the global financial crisis reflecting CORPLEASE's conservative underwriting and risk management policies. In 2009 CORPLEASE successfully tapped the asset-backed funding market and concluded a lease securitization transaction for EGP 360 million.

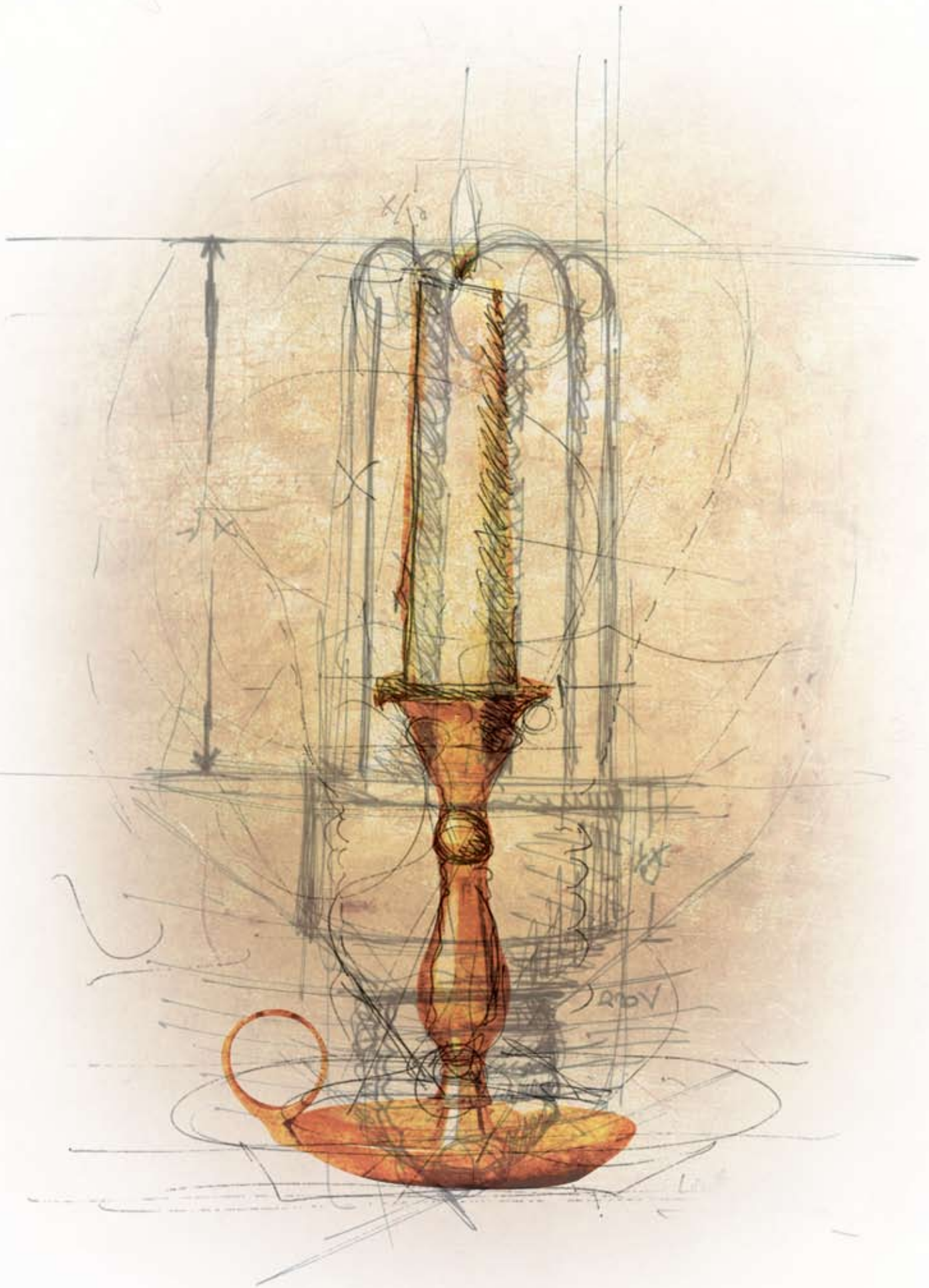
CORPLEASE will continue to pursue a growth strategy in 2010 and plans to enhance its geographic coverage. The company further plans additional asset-backed debt issues and to tap other non-traditional funding sources.



“

In the evolution of mankind there has always been a certain degree of social coherence. *Herbert Read*

”



109

Corporate Social Responsibility



Corporate Social Responsibility

“SERVING ALL-EMBRACING COMMUNITIES”

Being committed to the community where we live as well as our work environment, corporate social responsibility plays a fundamental part in the way we conduct business at CIB. Our business nature has an effect on our environment and on the lives of millions of people across Egypt. Hence, we possess a unique approach for CSR, which highlights six key areas on which, we carry out our day to day operations has a significant impact.

1) Committed to Taking Every Reasonable Step to Ensure the Health of our Community

Providing donations to **Cairo University, Faculty of Oral and Dental Medicine** to renovate and renew the Pediatric Dentistry unit.

As an acknowledgement of the importance of being a major contributor to the health and welfare of the community, CIB has decided to establish a **foundation** dedicated to the healthcare of the community. The Fund will provide grant support to expand and renovate facilities for health care programs, hospital projects and health care providers in communities where we operate.

2) Contributing to our Community

Sponsorships and Social Involvement CIB's financial sponsorships and donations are focused on projects that help communities achieve their goals; such as Yehia Arafa Children's Charity Foundation (Private Sector Organization that provides financial support for public hospitals within Cairo)

Art Sponsorship CIB regularly sponsors art galleries organized by the Ministry of Culture, with the aim of encouraging painters on different levels and their apprenticeship. CIB is also recognized as a significant collector of Egyptian art.

Our Employees and the Community The Bank provides its staff with the necessary resources in terms of funding and training, in order to make a positive contribution within the community. CIB proudly participated with its team in the first-ever **Egypt Race for the Cure®** in collaboration with the Breast Cancer Foundation of Egypt. The Race was about awareness-raising and breaking the silence regarding breast cancer.

3) Being Environmentally Responsible

Funds Directed to Social Development CIB has a specialized division which handles development funds and finance programs provided by governmental and international donors. These funds are known for their low interest rates and simple application procedures. The program aims to create new job opportunities and higher income amongst rural populations with special emphasis on women and small farmers. Moreover, CIB is engaged in environmental friendly projects designed for the preservation of natural resources as well as the public commitment to Human Rights which recognized CIB by Realizing Rights and Business & Human Rights Resource Centre.

4) Achieving Employee Satisfaction

We believe that the comfort and the skilled development of our employees are essential to our growth and success. In 2009, we employed 688 candidates across the Bank and aim to be the employer of choice. CIB established a **Code of Conduct Policy Guideline**, which adopts equal opportunities, fair competition and treatment among all employees, protection against harassment or intimidation, together with the existence of a “Whistle Blowing” policy, whereby staff can confidentially raise concerns about possible irregularities. In addition, we constantly conduct employee satisfaction surveys, and in early 2009, we have received the Gender Equity Seal.

5) A Fascinating Customer Experience

Our customer service distinguishes us from our competitors. Our objective is to provide best in class levels of service, which we have been focusing on since the year 2007 that will in turn earn us customer trust and loyalty

6) Meeting our Shareholders Expectations

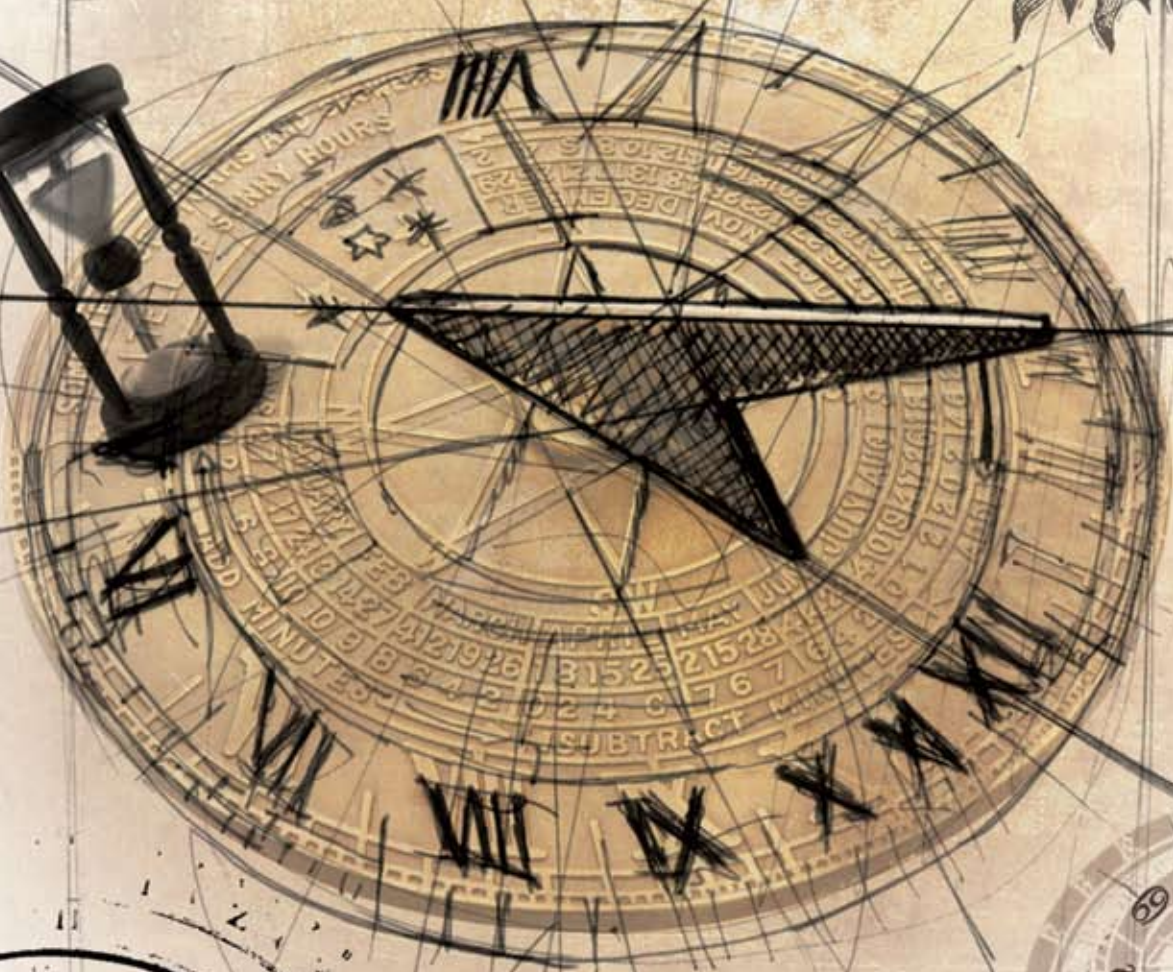
We encourage a two-way dialogue with existing and potential investors and business commentators. We understand the worth of transparency and integrity; and hence according to that conviction we run our business in a way, which creates a better understanding of our institution and business relationships.



A large, stylized orange quotation mark icon with a white outline, positioned at the start of the quote.

One of the greatest discoveries a man makes,
one of his greatest surprises, is to find he can do
what he was afraid he couldn't. *Henry Ford*

A large, stylized orange quotation mark icon with a white outline, positioned at the end of the quote.



X

109

Financial Statements



Financial Statements

Allied for Accounting & Auditing E&Y
Public accountants & consultants

KPMG Hazem Hassan
Public accountants & consultants

AUDITORS' REPORT

To the Shareholders of
Commercial International Bank (Egvpt)

Report on the unconsolidated financial statements

We have audited the accompanying unconsolidated financial statements of Commercial International Bank (Egypt) S.A.E, which comprise the unconsolidated balance sheet as at 31 December 2009 , and the unconsolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the unconsolidated Financial Statements

These unconsolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these unconsolidated 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 it's amendments, including amendments that relates to financial investments issued on December 16, 2008 and in light of the prevailing Egyptian laws , management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

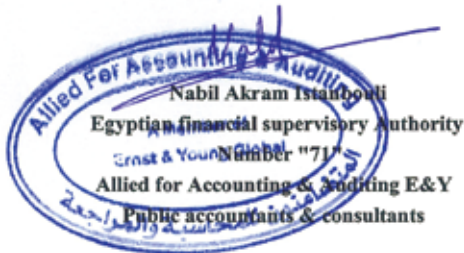
In our opinion, the unconsolidated financial statements referred to above present fairly, in all material respects, the unconsolidated financial position of Commercial International Bank (Egypt) as of December 31, 2009 and of its financial performance and its cash flows for the year then ended in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 07, 2002 and its amendments, including amendments that relates to financial investment issued on December 16, 2008 and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

According to the information and explanations given to us – during the financial year ended December 31, 2009 no contravention of the central bank, banking and monetary institution law No. 88 of 2003.

The Bank maintains proper books of account, which include all that is required by law and by the statutes of the bank, the unconsolidated financial statements are in agreement thereto.

The unconsolidated financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

*Auditors*

Ehab Fawzy Akl
Egyptian financial supervisory Authority
Number "9"
KPMG Hazem Hassan
Public accountants & consultants

Cairo, 17 February 2010

Financial Statements

A. CIB Stand-alone

Commercial International Bank (Egypt) S.A.E **Balance Sheet** as of Dec. 31, 2009

	Note No.	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Assets:-			
» Cash and Due From Central Bank	(5)	4,179,212,739	4,473,011,942
» Due From Banks	(6)	7,785,042,557	6,411,397,744
» Treasury Bills and other Governmental Notes	(7)	13,191,665,954	12,449,007,406
» Trading Financial Assets	(8)	380,620,682	497,554,487
» Net Loans and Overdrafts	(11) & (12)	27,303,684,185	26,330,327,878
» Financial Derivatives	(13)	225,347,220	704,890,792
Financial Investments:-			
» Available for Sale	(9)	7,420,529,606	2,762,232,984
» Held to Maturity	(9)	579,926,673	681,263,274
» Financial Investments in Subsidiary and Associated Co.	(14)	1,138,277,487	1,138,332,672
» Debit Balances and Other Assets	(16)	960,489,245	942,621,482
» Deferred Tax	(28)	39,799,318	21,840,568
» Fixed Assets (Net)	(17)	718,847,964	715,251,587
Total Assets		63,923,443,630	57,127,732,816
Liabilities and Shareholder's Equity:-			
Liabilities:-			
» Due to Banks	(18)	458,145,229	213,470,012
» Customers Deposits	(19)	54,842,629,843	48,938,109,663
» Financial Derivatives	(13)	150,526,830	636,914,744
» Credit Balances and Other Liabilities	(20)	1,106,662,383	1,235,780,102
» Long Term Loans	(21)	93,237,042	109,273,933
» Other Provisions	(22)	373,832,092	363,218,186
Total Liabilities		57,025,033,419	51,496,766,640
Shareholders' Equity:-			
» Issued and Paid in Capital	(23)	2,925,000,000	2,925,000,000
» Reserves	(23)	2,056,667,203	1,006,080,499
» Reserve for employee stock ownership plan (ESOP)		161,728,984	86,727,903
» Retained Earning		(1,942,684)	(1,942,684)
Total Shareholders' Equity		5,141,453,503	4,015,865,718
» Net Profit of the Year		1,756,956,708	1,615,100,458
Total Shareholders' Equity and Net Profit		6,898,410,211	5,630,966,176
Total Liabilities and Shareholders' Equity		63,923,443,630	57,127,732,816
Contingent Liabilities and Commitments letters of Credit, Guarantees and Other Commitments	(24)	12,637,872,568	13,290,994,705

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

Commercial International Bank (Egypt) S.A.E **Unconsolidated Income Statement** For The Year Ended Dec. 31, 2009

	Note No.	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Interest and Similar Income	(25)	4,026,337,183	3,631,009,316
» Interest and Similar Expenses	(25)	(2,000,868,482)	(1,988,581,582)
Net Interest Income		2,025,468,701	1,642,427,734
» Fees & Commissions Income		704,436,353	687,404,799
» Fees & Commissions Expense		(67,147,458)	(53,330,476)
Net Income From Fees & Commissions		637,288,895	634,074,323
» Dividends Income		126,062,373	139,603,428
» Net Trading Income	(26)	404,153,055	514,178,749
» Provisions	(12) & (22)	(96,243,322)	(394,144,903)
» Profit from Financial Investments	(9)	65,751,144	107,630,232
» Administrative Expenses		(1,040,787,351)	(950,081,643)
» Other Operating (Expenses) Income	(10)	(36,084,926)	162,201,251
Net Profit Before Tax		2,085,608,569	1,855,889,171
» Income Tax	(29)	(346,610,611)	(209,809,806)
» Deferred Tax	(28) & (29)	17,958,750	(30,978,907)
Net Profit After Tax		1,756,956,708	1,615,100,458
Earning Per Share			
» Basic	(30)	5.32	4.89
» Diluted	(30)	5.20	4.84

Financial Statements

Commercial International Bank (Egypt) S.A.E **Unconsolidated Cash Flow** For The Year Ended Dec. 31, 2009

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Cash Flow From Operating Activities:-		
» Net Income Before Tax	2,085,608,569	1,855,889,171
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
» Depreciation	184,283,445	153,818,325
» Provisions (formed during The Year)	96,760,400	394,545,539
» Trading Financial Investments Evaluation Differences	(11,988,038)	87,784,923
» Impairment of Assets	22,423,516	54,837,345
» Utilization of Provisions (except provision for Doubtful Debts)	(5,934,246)	(10,943,385)
» Provisions No Longer Used	(517,078)	(165,365,215)
» FCY Revaluation Differences of Provisions Balances (except Doubtful Debts)	(724,579)	516,745
» Profits From Selling Fixed Assets	(15,797,710)	(5,052,568)
» Profits From Selling Financial Investments	(113,051,948)	(219,181,954)
» Profits From Selling An Investment in Subsidiary	-	(50,258,991)
» FCY Revaluation Diff.of Long Term Loans	310,424	(922,993)
» Share Based Payments	75,001,081	57,568,319
Operating Profits Before Changes in Operating Assets and Liabilities	2,316,373,836	2,153,235,261
Net Decrease (Increase) in Assets		
» Due From Banks	(1,792,506,063)	9,567,610,757
» Treasury Bills and Other Governmental Notes	1,410,297,463	(7,353,852,038)
» Trading Financial Assets	128,921,844	3,133,860
» Financial Derivatives (Net)	(6,844,342)	(55,834,978)
» Loans and Overdrafts	(1,047,276,956)	(6,220,116,065)
Net Increase (Decrease) in Liabilities		
» Debit Balances and Other Assets	(64,378,784)	(13,465,835)
» Due to Banks	244,675,217	(2,163,612,423)
» Customers Deposits	5,904,520,180	9,423,569,671
» Credit Balances and Other Liabilities	(475,728,331)	263,170,719
Net Cash Provided From Operating Activities	6,618,054,065	5,603,838,929

Commercial International Bank (Egypt) S.A.E **Unconsolidated Cash Flow** For The Year Ended Dec. 31, 2009

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Cash Flow From Investing Activities:-		
» Sale of Subsidiaries And Associated Companies	(86,222,017)	(772,608,736)
» Purchase of Fixed Assets, Premises and Fitting - Out of Branches	(130,621,033)	(142,698,585)
» Redemption of Held to Maturity Financial Investments	100,347,555	276,189,303
» Held to Maturity Financial Investment (Purchases)	989,046	(513,558,411)
» Available For Sale Financial Investment (Purchases) Sell	(4,567,668,190)	(200,041,718)
Net Cash (Used In) Provided From Investing Activities	(4,683,174,638)	(1,352,718,147)
Cash Flow From Financing Activities:-		
» Increase (Decrease) In Long - Term Loans	(16,347,315)	(51,159,293)
» Dividends Paid	(478,236,553)	(336,727,470)
Net Cash (Used In) Financing Activities	(494,583,868)	(387,886,763)
» Net Cash and Cash Equivalent Changes	1,440,295,558	3,863,234,019
» Beginning Balance of Cash and Cash Equivalent	8,622,040,072	6,779,152,548
Cash and Cash Equivalent Balance at The End of The Year	10,062,335,630	10,642,386,567
Cash and Cash Equivalent Are Represented As Follows:-		
» Cash and Due From Central Bank	4,179,212,740	6,493,358,437
» Due From Banks	7,785,042,557	4,391,051,249
» Treasury Bills and Other Governmental Notes	13,191,665,954	12,449,007,406
» Due From Banks (Time Deposits)	(7,509,460,335)	(3,696,607,777)
» Treasury Bills With Maturity More Than Three Months	(7,584,125,285)	(8,994,422,748)
Total Cash and Cash Equivalent	10,062,335,631	10,642,386,567

The Commercial International Bank (Egypt) S.A.E.

Notes to the Unconsolidated Financial Statements For the Financial Year from January 1, 2009 to December 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 & eight 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 Repose 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.

Financial Statements

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 & reverses 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.

Financial Statements

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.

Financial Statements

(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 staff 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.

Financial Statements

(5) Cash and Due From Central Bank

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Cash & Cash Items	911,152,111	1,085,952,584
» Reserve Balance with CBE:-		
» Current Accounts	3,268,060,628	3,387,059,358
Total Cash & Due From Central Bank	4,179,212,739	4,473,011,942

(6) Due From Banks

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
(A) Central Bank:-		
» Time Deposits	2,121,116,884	2,421,103,945
Total Due From Central Bank	2,121,116,884	2,421,103,945
(B) Local Banks:-		
» Current Accounts	31,552,353	65,708,935
» Time Deposits	781,548,400	309,143,900
Total Due From Local Banks	813,100,753	374,852,835
(C) Foreign Banks:-		
» Current Accounts	244,029,869	628,734,537
» Time Deposits	4,606,795,051	2,986,706,427
Total Due From Foreign Banks	4,850,824,920	3,615,440,964
Total Due From Banks	7,785,042,557	6,411,397,744

(7) Treasury Bills and Other Governmental Notes

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» 91 Days Maturity	5,647,025,000	3,515,475,000
» 182 Days Maturity	4,539,175,000	1,951,800,000
» 364 Days Maturity	3,451,725,000	5,627,175,000
	13,637,925,000	11,094,450,000
» Unearned Income	(446,259,046)	(612,265,165)
Total Treasury Bills	13,191,665,954	10,482,184,835
Reverse Repos	-	1,966,822,571
Total Treasury Bills and Other Governmental Notes	13,191,665,954	12,449,007,406

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

(8) Financial Assets For Trading

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Debt Instruments:-		
» Government Bonds	75,348,283	101,369,914
» Other Debt Instruments	35,986,076	44,776,795
Total Debt Instruments	111,334,359	146,146,709
Equity Instruments:-		
» Foreign Company Shares	57,624,532	59,440,478
» Mutual Fund	211,661,790	291,967,300
Total Equity Instruments	269,286,322	351,407,778
Total Financial Assets For Trading	380,620,681	497,554,487

(9) Financial Investment

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Available For Sale Financial Investment:-		
» Debt Instruments Listed - Fair Value	6,756,292,076	1,921,272,094
» Equity Instruments Listed - Fair Value	115,553,654	210,464,470
» Unlisted Instruments	548,683,876	630,496,420
Total Available For Sale Financial Investment	7,420,529,606	2,762,232,984
Held to Maturity Financial Investment:-		
» Listed Debt Instruments	262,758,830	306,374,803
» Unlisted Instruments	317,167,843	374,888,471
Total Held to Maturity Financial Investment	579,926,673	681,263,274
Total Financial Investment	8,000,456,279	3,443,496,258
Listed Balances	7,134,604,560	2,438,111,367
Unlisted Balances	865,851,719	1,005,384,891
	8,000,456,279	3,443,496,258
Fixed Interest Debt Instruments	5,701,939,359	1,833,967,710
Variable Interest Debt Instruments	1,601,779,389	769,567,658
	7,303,718,748	2,603,535,368

Financial Statements

	Available for Sale Financial Investment	Held to Maturity Financial Investment	Total
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 - Recover)	(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)
Balance at The End of Year	2,762,232,984	681,263,274	3,443,496,258
Opening Balance 1 /1/ 2009	2,762,232,984	681,263,274	3,443,496,258
Addition	9,345,814,437	-	9,345,814,437
Deduction (Selling - Recovery)	(4,578,286,645)	(100,347,555)	(4,678,634,201)
Differences in Revaluation of The Cash Assets in Foreign Currencies	(8,035,073)	(989,046)	(9,024,119)
Profit From Fair Value Differences	(86,277,201)	-	(86,277,201)
Deduct - Impairment Provision	(14,918,896)	-	(14,918,896)
Balance at The End of Year	7,420,529,606	579,926,673	8,000,456,279
		Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Profit (Losses) From Financial Investment			
Profit From Selling Available For Sale Financial Instruments		88,188,511	112,222,366
(Losses) From Impairment of Equity Instruments Available For Sale		(14,918,896)	4,293,548
(Losses) of Impairment From Available For Sale Debt Instruments		(8,035,072)	(59,130,893)
Profit From Selling Investments in Subsidiaries and Associates.		-	50,258,991
(Losses) Profit From Selling Held to Maturity Investments		(13,851)	(13,780)
Return (Losses) of Impairment From Held to Maturity Investments		530,452	-
		65,751,144	107,630,232

(10) Other Operating (Expenses) Income

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Profits From Assets & Liabilities Revaluation Except Trading	6,036,985	8,086,436
Profits From Selling Equipments and Fixed Assets	15,797,710	5,052,568
Provision No Longer Used	-	94,706,704
Others	(57,919,621)	54,355,543
Total	(36,084,926)	162,201,251

(11) Loans and Overdrafts

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Discounted Bills	698,155,737	795,836,842
» Loans & Overdrafts to Customers	28,110,159,864	26,867,609,401
» Loans & Overdrafts to Banks	172,873,891	344,498,810
Total Loans and Overdrafts	28,981,189,492	28,007,945,053
» Unearned Bills Discount	(92,637,396)	(119,310,349)
» Provision For Doubtful Debts	(1,443,582,590)	(1,408,297,328)
» Interest In Suspense	(141,285,321)	(150,009,498)
Net Loans and Overdrafts	27,303,684,185	26,330,327,878

(12) Provision For Doubtful Debts

Dec.31, 2009	Specific EGP	General EGP	Total EGP
» Balance at Beginning of The Year	640,224,297	768,073,031	1,408,297,328
» Formed During The Year	-	78,970,591	78,970,591
» Recoveries From Written Off Debts	23,954,439	-	23,954,439
» Foreign Currency Revaluation Diff.	(2,172,687)	-	(2,172,687)
	662,006,049	847,043,622	1,509,049,671
» Usage During The Year	(65,467,081)	-	(65,467,081)
Balance at The End of The Year	585,412,000	858,170,590	1,443,582,590
Dec.31, 2008	Specific EGP	General EGP	Total EGP
» 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
	736,285,653	768,073,031	1,504,358,684
» Usage During The Year	(96,061,356)	-	(96,061,356)
Balance at The End of The Year	640,224,297	768,073,031	1,408,297,328

Financial Statements

(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 represent 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 does not provide an 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

Foreign Derivatives:-

	Dec.31, 2009			Dec.31, 2008		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
» Forward Foreign exchange contracts	2,216,238,458	11,313,445	6,610,765	2,572,060,181	31,916,357	31,680,875
» Currency swap	2,282,456,175	59,700,304	8,520,349	3,457,152,333	65,087,047	57,539,919
» Options	1,115,741,508	6,680,711	6,680,711	112,099,475	1,080,796	1,080,796
Total Derivatives (1)		77,694,460	21,811,825		98,084,200	90,301,590
Interest rate derivatives:-						
» Interest rate Swaps	1,468,824,580	25,635,166	6,697,411	1,730,052	63,646,403	3,452,965
Total Derivatives (2)		25,635,166	6,697,411		63,646,403	3,452,965
Commodity	219,509,800	122,017,594	122,017,594	1,235,414,832	543,160,189	543,160,189
Total Derivatives (3)		122,017,594	122,017,594		543,160,189	543,160,189
Total Assets (liability) For Trading Derivatives (1 +2 +3)		225,347,220	150,526,830		704,890,792	636,914,744

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

(14) Financial Investments in Subsidiary and Associated Companies

	Dec. 31, 2009 EGP	%	Dec. 31, 2008 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	10,696,530	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	1,138,277,487		1,138,332,672	
The Financial Investments in subsidiary companies are represented as follows :-				
» Financial Investments listed in Stock Exchange	-		1,045,411,957	
» Financial Investments Unlisted in Stock Exchange	1,138,277,487		92,920,715	
Total	1,138,277,487		1,138,332,672	

(15) Capital Commitments**Financial Investments:-**

The capital commitments for the financial investments reached on the date of financial position EGP 137,764,399 as follows:-

	Investments value EGP	Paid EGP	Remaining EGP
» Available for Sale Financial Investments	486,200,064	349,181,915	137,018,149
» Financial Investments in Associated 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 4,375,590

Financial Statements

(16) Debit Balances and Other Assets

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
Accrued Revenues	453,873,774	406,019,416
Prepaid Expenses	67,433,667	53,438,701
Advances for Purchase of Fixed Assets	48,879,348	90,340,427
Assets Acquired as Settlement of Debts *	47,115,717	52,165,659
Accounts receivable and Other Assets **	343,186,739	340,657,279
	960,489,245	942,621,482

*This include the value of premises that was not recorded under the bank's name by EGP 34,884,964 which were acquired against settlement of the debts mentioned above, at the same time the legal procedures are under process to register or sell these assets within the period required by law.

** Include EGP 8,331,048 as Assets Held For Sale.

(17) Net Fixed Assets

Dec.31, 2009 EGP	Land	Premises	IT	Vehicles	Fitting -Out	Machines & Equipment	Furniture & Furnishing	Total
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 Year	(521,268)	568,975	119,746,514	-	45,879,358	17,085,922	5,120,321	187,879,822
Closing Balance (1)	60,548,180	333,931,594	639,002,727	21,076,715	235,612,855	234,103,089	96,403,749	1,620,678,909
Accu. Depreciation at Beginning of The Year (4)	-	106,534,258	319,565,805	19,147,242	122,003,983	106,766,149	43,530,063	717,547,500
Current Year Depreciation	-	16,011,319	87,186,487	999,835	45,752,781	25,834,708	8,498,315	184,283,445
Accu. Depreciation at End of The Year (2)	-	122,545,577	406,752,292	20,147,077	167,756,764	132,600,857	52,028,378	901,830,945
End of Year Net Assets (1- 2)	60,548,180	211,386,017	232,250,435	929,638	67,856,091	101,502,232	44,375,371	718,847,964
Beginning of Year 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 balance sheet date includes EGP 63,561,697 non registered assets while their registrations procedures are in process.

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

(18) Due to Banks

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
(A) Central Bank:-		
» Current Accounts	33,070,672	75,056,264
Total Due to Central Bank	33,070,672	75,056,264
(B) Local Banks:-		
» Current Accounts	15,963,990	19,309,126
» Time Deposits	200,000,000	-
Total Due to Local Banks	215,963,990	19,309,126
(C) Foreign Banks:-		
» Current Accounts	209,110,567	116,257,050
» Time Deposits	-	2,847,572
Total Due to Foreign Banks	209,110,567	119,104,622
Total	458,145,229	213,470,012

(19) Customers' Deposits

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Demand Deposits	14,490,335,257	13,126,519,017
» Time and Notice Deposits	21,669,911,514	19,946,603,875
» Certificates of Deposit	9,805,872,397	7,395,350,361
» Saving Deposits	8,024,613,798	7,316,052,948
» Other Deposits	851,896,877	1,153,583,462
Total	54,842,629,843	48,938,109,663

(20) Credit Balances and Other Liabilities

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Accrued Interest Payable	172,395,377	208,568,878
» Accrued Expenses	63,907,016	68,214,404
» Accounts Payable	438,396,059	702,565,326
» Income Tax	306,398,840	209,809,805
» Other Credit balances	125,565,091	46,621,689
Total	1,106,662,383	1,235,780,102

Financial Statements

(21) Long Term Loans

	Rate %	Maturity Date	Maturing Through Next Year EGP	Balance as of Dec.31, 2009 EGP	Balance as of Dec.31, 2008 EGP
» F.I.S.C.	7	3 -5 years	6,714,286	36,314,000	30,439,600
» K.F.W	9- 10.5	10 years	3,897,542	9,581,678	16,010,946
UNIDO	1	2011	580,591	2,249,926	847,580
» Agricultural Research and Development Fund (ARDF)	3.5 - 5.5 depends on maturity date	3 -5 years	28,565,635	33,687,857	58,804,557
» Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3- 5 years	40,000	60,000	125,000
» Social Fund	3 months T/D or 9% whichever is more	2010	1,069,250	1,485,844	3,046,250
» Spanish Microfinance Loan	4	2012	3,285,912	9,857,737	-
Total			44,153,216	93,237,042	109,273,933

(22) Other Provisions

Dec.31, 2009 EGP						
	Opening Balance	Formed During the year	FCY Balance Reval. Difference	Usage During the year	Balance No Longer Required	Closing Balance
» Provision For Income Tax Claims	146,909,685	-	-	-	-	146,909,685
» Provision For Legal Claims	1,271,113	2,838,002	-	(190,504)	(517,078)	3,401,533
» Provision For Contingent	206,313,939	6,131,807	(749,746)	-	-	211,696,000
» Provision For Other Claim	8,723,449	8,820,000	25,167	(5,743,742)	-	11,824,874
Total	363,218,186	17,789,809	(724,579)	(5,934,246)	(517,078)	373,832,092

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

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

(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 EGP 292.5 million shares with EGP 10 par value for each share on 31/07/2008 according to the Board of directors decision on 21/02/2008 by using EGP 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 by the law.
- »

(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 thousand has been deducted from the credit balances, special reserve and retained earnings by EGP 13,571 thousand in December 31, 2008 in result of fair value revaluationsfor those balances.

(24) Contingent Liabilities And Commitments

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Letters of Guarantee	11,348,196,542	10,852,904,384
» Letters of Credit (Import And Export)	820,272,115	1,933,869,400
» Customers Acceptances	469,403,911	504,220,921
Total	12,637,872,568	13,290,994,705

Financial Statements

(25) Net Interest Income

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Interest Received from Loans and similar items:-		
» Banks	128,013,500	1,120,728,805
» Clients	2,136,658,036	2,002,824,862
	2,264,671,536	3,123,553,667
» Treasury Bills and Bonds	1,125,317,343	432,322,408
» Reverse Repos	74,641,951	1,569,431
» Financial Investment In Debt Instruments Held to Maturity and Available for Sale	561,590,964	73,513,180
» Other	115,389	50,630
Total	4,026,337,183	3,631,009,316
Interest Paid on deposits and similar items:-		
» Banks	164,842,854	199,217,616
» Clients	1,834,454,011	1,786,702,338
	1,999,296,865	1,985,919,954
» Other Loans	-	-
» Other	1,571,617	2,661,628
Total	2,000,868,482	1,988,581,582
Net	2,025,468,701	1,642,427,734

(26) Trading Net Profit

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Profit From Foreign exchange	291,327,008	278,729,999
(Losses) From Revaluations of Assets and Liabilities in Foreign Currencies	(1,962,006)	(1,319,226)
Profit From Forward Foreign exchange Deals Revaluation	3,460,009	(1,753,212)
(Losses) Profit From Interest Rate Swaps Revaluation	(41,255,686)	23,259,001
(Losses) Profit From Swap Deals Revaluation	(307,591)	26,932,690
Debt Instruments For Trading	156,564,981	229,240,509
Equity Instruments For Trading	(3,673,660)	(40,911,012)
Total	404,153,055	514,178,749

(27) Comparative Figures

The comparative figures are amended to confirm with the reclassification of the current year and general assembly held on 5th of March, 2009 decisions, for ratifying the appropriation account of year 2008.

(28) Deferred Tax Assets and Liabilities

	Assets (liabilities) Dec. 31, 2009 EGP	Assets (liabilities) Dec. 31, 2008 EGP
Deferred tax assets and liabilities are attributable to the following:		
Fixed Assets (depreciation)	(26,940,482)	(26,037,670)
Other Provisions (excluded loan loss, contingent liabilities and income tax provisions)	3,045,281	1,998,913
Other Items (other investments revaluation difference)	31,517,523	28,533,744
Reserve for Employee Stock Ownership Plan (ESOP)	32,176,996	17,345,581
Total	39,799,318	21,840,568

(29) Reconciliation of Effective Tax Rate

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Profit Before Tax	2,085,608,569	1,855,889,171
Tax Rate	20%	20%
Income Tax Based on Accounting Profit	417,121,714	371,177,834
Add / (Deduct)		
Non-Deductible Expenses	5,760,711	4,675,448
Tax Exemptions	(99,119,356)	(130,962,122)
Effect of Provisions	4,888,792	(4,102,447)
Income Tax	328,651,861	240,788,713
Effective Tax Rate	15.76%	12.97%

Financial Statements

(30) Earning Per Share

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Net Profit For The Year	1,756,956,708	1,615,100,458
» Board Members' Bonus	(26,354,351)	(24,226,507)
» Staff Profit Sharing	(175,695,671)	(161,510,046)
» Shareholders' Share in Profits	1,554,906,687	1,429,363,905
» Number of Shares	292,500,000	292,500,000
» Basic Earning Per Share	5.32	4.89
By Issuance Of ESOP Shares Earning Per Share will be:-		
» Number of Shares Including ESOP Shares	298,947,102	295,478,665
Diluted Earning Per Share	5.20	4.84

(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 year are as follows:

	Number of Shares
» Outstanding at the beginning of the year	2,978,665
» Granted during the year*	3,685,004
» Forfeited during the year	(216,567)
» Exercised during the year	-
» Expired during the year	-
Outstanding at the end of the year	6,447,102

» 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 92,416 shares 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

	Maturity Within One Year	Maturity Over One Year
Assets:-		
» Cash and Due from Central Bank	4,179,212,739	-
» Due From Banks	7,785,042,557	-
» Treasury Bills and other Governmental Notes	13,637,925,000	-
» Trading Investments	380,620,682	-
» Available for Sale Investments	1,016,136,655	6,404,392,951
» Customers' Loans and Overdrafts	10,919,131,839	17,747,898,440
» Banks' Loans and Overdrafts	41,899	172,831,992
» Held to Maturity Investments	-	579,926,673
» Investments in Subsidiary Companies	-	1,138,277,487
» Debit Balances and Other Assets	960,489,245	-
Total	38,878,600,615	26,043,327,543
Liabilities:-		
» Due to Banks	458,145,229	-
» Customer Deposits	44,951,662,006	9,890,967,837
» Long Term Loans	44,153,216	49,083,826
» Credit Balances and Other Liabilities	1,106,662,383	-
Total	46,560,622,834	9,940,051,664

(33) Interest Rate

The average interest rates applied for assets and liabilities during the year in local currency are 6.68% & 3.13% 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 has been 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 .

Financial Statements

(35) Distribution of Assets, Liabilities and Contingent Accounts

	Local Currency	Foreign Currency
1st Assets:-		
» Due From Banks	243,794,253	7,541,248,304
Loans & Overdrafts	EGP	%
» Agriculture Sector	69,916,302	0.24
» Industrial Sector	11,203,915,366	38.66
» Trading Sector	488,139,876	1.68
» Services Sector	10,981,691,909	37.89
» Household Sector	2,691,620,593	9.29
» Other Sectors	3,545,905,446	12.24
Total Loans & Overdrafts (Including unearned interest)	28,981,189,492	100.00
» Unearned Discounted Bills	(92,637,396)	
» Provision for Doubtful Debts	(1,443,582,590)	
» Unearned Interest & Commission	(141,285,321)	
Net Loans & Overdrafts	27,303,684,185	
2nd Liabilities:-	Local Currency	Foreign Currency
» Due to Banks	220,758,605	237,386,624
Customers' Deposits	EGP	%
» Agriculture Sector	221,417,866	0.40
» Industrial Sector	7,020,310,401	12.80
» Trading Sector	2,078,493,160	3.79
» Services Sector	10,734,652,072	19.57
» Household Sector	28,275,027,374	51.56
» Other Sectors	6,512,728,970	11.88
Total Customers' Deposits	54,842,629,843	100.00
3rd Contingent Accounts:-	Local Currency	Foreign Currency
» Letters of Guarantee	5,353,604,266	5,994,592,276
» Letter of Credit (Import & Export)	14,299,332	805,972,783
» Customers Acceptances	18,184,685	451,219,226
Total Contingent Accounts	5,386,088,283	7,251,784,285

(36) Main Currencies Positions

	Dec.31, 2009 in thousand EGP	Dec.31, 2008 in thousand EGP
Egyptian Pound	60,421	(6,756)
US Dollar	(29,077)	4,714
Sterling Pound	279	(3,303)
Japanese Yen	599	(333)
Swiss Franc	1,081	1,024
Euro	15,912	15,811

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

(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 45,337,249 with redeemed value EGP 6,727,141,006.
- » The market value per certificate reached EGP 148.38 on 31/12/2009.
- » The Bank portion got 1,592,725 certificates with redeemed value EGP 236,328,536.

Istethmar Fund

- » CIB 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 3,765,207 with redeemed value EGP 299,183,348.
- » The market value per certificate reached EGP 79.46 on 31/12/2009.
- » The bank portion got 194,744 certificates with redeemed value EGP 15,474,358.

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 1,022,303 with redeemed value EGP 64,333,528.
- » The market value per certificate reached EGP 62.93 on 31/12/2009.
- » The bank portion got 39,729 certificates with redeemed value EGP 2,500,146.

(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.

	EGP	
Loans & Overdrafts	696,186,378	
Investment in Subsidiary Companies	1,138,277,487	
Available For Sale Mutual Fund Managed by Subsidiary	43,909,577	
Customer Deposits	290,146,515	
Contingent Accounts	58,987,412	
	Income EGP	Expenses EGP
International Co. for Security & Services (Falcon)	834,938	48,690,613
Corplease Co.	48,586,200	1,166,134
Commercial International Life Insurance Co.	8,942,224	3,319,179
Commercial International Brokerage Co.	4,401,814	2,135,651
Dynamic Company	14,168	28,587
Egypt Factors	2,052,591	28,165
CI Assets Management	7,561	22,046
Commercial International Capital Holding Co.	12,885	45,483
CI Capital Investment Banking	-	715
Haykala for Investment	1,533	8,907
CI Capital Researches	2,239	979

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

Financial Statements



Hazem Hassan

Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 536 22 00 - 536 22 11
Telefax : (202) 536 23 01 - 536 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

AUDITORS' REPORT

To the Shareholders of Commercial International Bank (Egypt)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Commercial International Bank (Egypt) S.A.E, which comprise the consolidated balance sheet as at 31 December 2009 , and the consolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the consolidated Financial Statements

These consolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these consolidated 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 it's amendments, including amendments that relates to financial investments issued on December 16, 2008 and in light of the prevailing Egyptian laws , management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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



Hazem Hassan

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Commercial International Bank (Egypt) as of December 31, 2009 and of its financial performance and its cash flows for the year then ended in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 07, 2002 and its amendments, including amendments that relates to financial investment issued on December 16, 2008 and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

According to the information and explanations given to us – during the financial year ended December 31, 2009 no contravention of the central bank, banking and monetary institution law No. 88 of 2003.

The Bank maintains proper books of account, which include all that is required by law and by the statutes of the bank, the consolidated financial statements are in agreement thereto.

The consolidated financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.



Ehab Fawzy Akl

Egyptian financial supervisory Authority Number "9"

KPMG Hazem Hassan

Public accountants & consultants

Cairo, 17 February 2010

Financial Statements

B.Consolidated

Commercial International Bank (Egypt) S.A.E Consolidated Balance Sheet as of Dec. 31, 2009

	Note No.	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Assets:-			
» Cash and Due From Central Bank	(5)	4,179,256,489	4,473,013,600
» Due From Banks	(6)	7,946,147,786	6,572,191,780
» Treasury Bills and other Governmental Notes	(7)	13,198,960,913	12,456,955,210
» Trading Financial Assets	(8)	491,138,956	641,627,430
» Net Loans and Overdrafts	(11) & (12)	27,303,684,185	26,330,327,878
» Financial Derivatives	(13)	225,347,220	704,890,792
» Financial Investments:-			
» Available for Sale	(9)	7,429,977,151	2,774,965,250
» Held to Maturity	(9)	590,057,209	681,263,274
» Financial Investments in Associated Co.	(14)	93,352,492	92,923,215
» Brokers - Debit Balances		80,154,770	151,604,732
» Reconciliation Accounts- Debit Balances		20,302,650	-
» Debit Balances and Other Assets	(16)	1,005,543,781	972,855,164
» Goodwill	(39)	200,467,227	200,523,251
» Intangible Assets	(39)	573,471,546	640,938,786
» Deferred Tax	(28)	37,232,586	19,372,767
» Fixed Assets (Net)	(17)	749,602,993	748,340,702
Total Assets		64,124,697,953	57,461,793,831
Liabilities and Shareholder's Equity:-			
Liabilities:-			
» Due to Banks	(18)	458,145,229	228,994,222
» Customers Deposits	(19)	54,648,654,522	48,790,029,809
» Brokers- Credit Balances		212,593,347	200,921,933
» Reconciliation Accounts - Credit Balances		-	27,897,554
» Financial Derivatives	(13)	150,526,830	636,914,744
» Credit Balances and Other Liabilities	(20)	1,139,717,462	1,270,466,914
» Long Term Loans	(21)	93,237,042	109,273,933
» Other Provisions	(22)	380,160,007	372,645,236
Total Liabilities		57,083,034,439	51,637,144,345
Shareholders' Equity:-			
» Paid in Capital	(23)	2,925,000,000	2,925,000,000
» Reserves	(23)	2,358,774,274	1,308,202,274
» Reserve for employee stock ownership plan (ESOP)		161,728,984	86,727,903
» Retained Earning		(157,685,992)	87,845,690
» Total Shareholders' Equity		5,287,817,266	4,407,775,867
» Net Profit of year		1,708,238,925	1,370,592,742
» Total Shareholders' Equity and Net Profit		6,996,056,191	5,778,368,609
» Minority Interest		45,607,323	46,280,877
» Total Shareholders' Equity and Minority Interest		7,041,663,514	5,824,649,486
» Total Liabilities and Shareholders' Equity		64,124,697,953	57,461,793,831
» Contingent Liabilities and Commitments			
» Letters of Credit, Guarantees and Other Commitments	(24)	12,637,822,568	13,290,994,705

The accompanying notes are an integral part of the Financial Statements and are to be read therewith (Audit Report attached)

Commercial International Bank (Egypt) S.A.E Consolidated Income Statement For The Year Ended Dec. 31, 2009

	Note No.	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
» Interest and Similar Income	(25)	4,032,638,862	3,765,207,513
» Interest and Similar Expenses	(25)	(2,002,606,659)	(1,966,547,421)
Net Interest Income		2,030,032,203	1,798,660,092
» Fees & Commissions Income		830,270,817	821,333,569
» Fees & Commissions Expense		(64,831,578)	(73,587,145)
Net Income From Fees & Commissions		765,439,239	747,746,424
» Dividends Income		133,473,178	102,559,579
» Net Trading Income	(26)	419,294,504	345,367,741
» Provisions	(12)&(22)	(97,376,936)	(410,519,381)
» Profit from Financial Investments	(9)	66,326,834	109,312,249
» Goodwill Impairment		-	(183,698,000)
» Administrative Expenses		(1,170,802,794)	(1,038,662,088)
» Other Operating Income	(10)	(30,383,615)	179,386,060
» Intangible Assets Amortization		(67,467,240)	(33,733,620)
Net Profit Before Tax		2,048,535,373	1,616,419,056
» Income Tax	(29)	(355,028,402)	(218,777,585)
» Deferred Tax	(28)	16,259,820	(32,226,272)
Net Profit After Tax		1,709,766,791	1,365,415,199
» Minority Interest		1,527,866	(5,177,543)
» Bank Shareholders		1,708,238,925	1,370,592,742
» Earning Per Share			
» Basic	(30)	5.17	4.15
» Diluted	(30)	5.06	4.11

Financial Statements

Commercial International Bank (Egypt) S.A.E Consolidated Cash Flow For The Year Ended Dec. 31, 2009

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Cash Flow From Operating Activities:-		
Net Income Before Tax	2,048,535,373	1,616,419,056
	-	
Adjustments To Reconcile Net Income to Net Cash Provided by Operating Activities		
» Depreciation	193,535,183	157,078,362
» Provisions (formed during The Period)	97,994,015	410,519,381
» Trading Financial Investments Evaluation Differences	(11,988,038)	88,799,961
» Intangible Assets Amortization	(67,467,240)	33,733,620
» Impairment of Assets	22,423,516	-
» Utilization of Provisions (Except Provision For Doubtful Debts)	(6,767,109)	(11,957,034)
» Provisions No Longer Used	(4,016,965)	(165,739,690)
» FCY Revaluation Differences of Provisions Balances (Except Doubtful Debts)	(724,579)	518,328
» Profits (Losses) From Selling Fixed Assets	15,797,710	(5,052,568)
» Profits From Selling Financial Investments	(113,051,948)	(227,427,627)
» Profits From Selling an Investment in Subsidiary	-	(50,258,991)
» Goodwill Impairment	-	183,698,000
» FCY Revaluation Diff.of Long Term Loans	310,424	(922,993)
» Share Based Payments	75,001,081	57,568,319
Operating Profits Before Changes in- Operating Assets and Liabilities	2,249,581,423	2,086,976,124
Net Decrease (Increase) in Assets		
» Due From Banks	(1,780,463,063)	9,556,516,685
» Treasury Bills and Other Governmental Notes	1,410,950,308	(7,358,853,097)
» Trading Financial Assets	162,476,513	(46,594,530)
» Financial Derivatives (Net)	(6,844,342)	(55,834,978)
» Loans and Overdrafts	(1,047,276,956)	(6,220,116,065)
Net Increase (Decrease) in Liabilities		
» Debit Balances and Other Assets	(15,714,945)	(9,204,729)
» Due to Banks	229,151,007	(2,149,619,156)
» Customers Deposits	5,858,624,713	9,313,976,968
» Credit Balances and Other Liabilities	(377,288,176)	618,321,121
» Income tax paid	-	(155,475,345)
Net Cash Provided From Operating Activities	6,683,196,482	5,580,092,998

Commercial International Bank (Egypt) S.A.E Consolidated Cash Flow For The Year Ended Dec. 31, 2009

	Dec. 31, 2009 EGP	Dec. 31, 2008 EGP
Cash Flow From Investing Activities:-		
» Sale of Subsidiaries and Associated Companies	(86,568,998)	(2,208,667)
» Purchase of Fixed Assets, Premises and Fitting- out of Branches	(176,827,213)	(198,887,584)
» Redemption of Held to Maturity Financial Investments	100,347,555	(237,369,108)
» Held to Maturity Financial Investment Purchases	(9,141,490)	-
» Available for Sale Financial Investment	(4,564,383,469)	(211,077,065)
» Financial Investments in Subsidiary (Goodwill)	-	(621,580,409)
Net Cash (Used In) Provided From Investing Activities	(4,736,573,615)	(1,271,122,833)
Cash Flow From Financing Activities:-		
» Increase in Long - Term Loans	(16,347,315)	(51,159,293)
» Dividends Paid	(478,236,553)	(346,045,692)
Net Cash (Used In) Financing Activities	(494,583,868)	(397,204,985)
» Net Cash and Cash Equivalent Changes	1,452,038,999	3,911,765,180
» Beginning Balance of Cash and Cash Equivalent	8,778,740,569	6,879,374,081
Cash and Cash Equivalent Balance at The End of The Period	10,230,779,568	10,791,139,261
Cash and Cash Equivalent are Represented as follows:-		
» Cash and Due From Central Bank	4,179,256,489	6,493,360,095
» Due From Banks	7,946,147,786	4,551,845,285
» Treasury Bills and Other Governmental Notes	13,198,960,913	12,456,955,210
» Due From Banks (Time Deposits)	(7,509,460,335)	(3,708,650,777)
» Treasury Bills with Maturity More Than Three Months	(7,584,125,285)	(9,002,370,552)
Total Cash and Cash Equivalent	10,230,779,568	10,791,139,261

The Commercial International Bank (Egypt) S.A.E.

Notes to the Consolidated Financial Statements For the Financial Year From January 1, 2009 to December 31, 2009

(1) Organization and Activities

A) Commercial International Bank (Egypt) S.A.E.

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 & eight branches, in addition to forty seven units.

B) CI Capital Holding Co S.A.E.

It was formed as a joint stock company on April 9th, 2005 under the capital market law No. 95 for 1992 and its executive regulations. Financial register No. 166798 on April 10th, 2005 and the company have been licensed by the capital market authority to carry out its activities under license No. 353 on May 24th, 2006.

As of December 31, 2009 the bank directly owns 54,988,000 shares representing 99.98% of CI Capital Holding Company's capital and on December 31, 2009 CI Capital Holding Co. directly owns the following shares in its subsidiaries:

Company Name	No. of Shares	Ownership%	Indirectly Share%
» CIBC Co.	539,880	89.98	89.96
» CI Assets Management	445,499	89.09	89.07
» CI Investment Banking Co.	448,500	89.70	89.68
» CI For Research Co.	448,500	89.70	89.68
» Dynamic Brokerage Co.	3,392,000	99.91	99.89
» United Brokerage Co. – Dubai	5,000,000	49.00	48.99

(2) Significant Accounting Policies

A) Basis of Preparing Financial Statements

The consolidated Financial Statements are prepared in accordance with the Central Bank of Egypt regulations issued on 27th of June 2002 and its amendments issued on December 16, 2008 and in accordance with the related Egyptian laws and regulations regarding to the preparation of these financial statements.

B) Basis of consolidation

Given the increase in the Bank's ownership percentage from 50.09% (joint control) to 99.98% (full control) in CI Capital Holdings, has been adjusted form proportional consolidated basis which has been used in the previous financial periods up till to June 30, 2008.

Consolidated Financial Statements are Consisting of the Financial Statements of Commercial International Bank and Consolidated Financial Statements of CI Capital Holding and its subsidiaries. The control is achieved through the bank's ability to control the financial and operational policies of the invests in order to obtain benefits from its activities . The basis of the consolidation are as follows: -

Financial Statements

- Eliminating all balances and transactions between the bank and group companies.
- The cost of acquisition of subsidiary companies is based on the company's share in the fair value of assets acquired and obligations outstanding the acquisition date.
- Minority shareholders represent the rights of others in subsidiary companies.
- Proportional Consolidation is used in consolidating method companies under joint control.

C) Transactions in Foreign Currencies

- The Accounting records of the bank are maintained in Egyptian pounds. Transactions in foreign currencies conducted during the year 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 recorded at fair value through profit and loss and financial assets and liabilities held for trading or originally recorded at fair value through profit and loss.
 - Other operating income (loss) for the other items.
- The changes in fair value arising from monetary financial instruments classified as foreign investments 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 (such as equities) 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.

D) Realization of Income

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

E) Operating revenues in the holding company:

The activities income of the subsidiaries companies comes as soon as the related service is done, the services are :

- Consultancy services to the group before the acquisition date.
- Securities trading fees & commission for the customers.
- Management fees as follows:

1- Mutual funds & investment portfolios management fees:

- The Management fee is calculated as a percentage of the net value of assets under management according to the agreement's terms and conditions. These amounts are credited to the assets management company's revenue pool on a monthly accrual basis.
- Commission is calculated, based on certain ratios of mutual fund's net asset value, for the valuation of mutual fund's assets. This valuation commission is calculated and accrued on a daily basis.

2- Performance fees:

- Performance fees calculated by specific ratios from customers portfolios annual return in case of it exceeds a specific return based on the contract terms and its calculated based on the return on the net assets such fees are excluded from revenues unless they meet the booking terms.

F) 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, which are measured at amortized cost using the effective interest rate.

G) Financial Assets Designated at fair value through profit and loss:

- 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 profit and loss.
- 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 profit and loss 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 had been reported to the senior management according to that basis.
- Any financial derivative or instrument that is designates to be measured at fair value with changes reported in income is not reclassified either during the holding period or if it was initially recognized at fair value with changes reported to profit and loss.
- At all circumstances the bank does not reclassify any financial instrument to financial instrument measured at fair value with changes reported to profit and loss or to financial assets held for trading.

H) 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 positive 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.

I) 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

Financial Statements

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.

J) 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".
- 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 hold 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 and losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.
 - ii. Profits and 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 and losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.

K) Investments in Associated Companies and Jointly controlled Companies

- These investments are evaluated at cost and in case of downfall of its fair value; the book value of each investment is adjusted by such downfall and charged to “Other investments evaluation difference” in 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 recorded at cost at acquisition and proportionately consolidated in the consolidated financial statement.

L) 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 & reverses Repos agreements are netted on the balance sheet in ‘Treasury Bills and other governmental notes

M) 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.

N) Repos & (Reverse Repos) Transactions

- Repos (Reverse Repos) agreements are eliminated (recorded) on the balance sheet under “Treasury Bills and Other governmental Notes “whereas its cost (revenue) is recorded in “interest received from treasury Bills & Bonds “item in Income Statement using the effective interest rate method.

O) Impairment of financial assets**O/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.

O/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.

Financial Statements

P) Intangible Assets

(P/1) Goodwill

- Goodwill is capitalized and represents the excess of the cost of an acquisition over the fair value of the Bank's share of the acquired entity's net identifiable assets at the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. Goodwill is included in the cost of investments in associated and subsidiaries investments in the Bank standalone financial statements. Goodwill is tested for impairment whereas the income statements are charged by the impairment.
- Goodwill is allocated over the cash generating units for the purpose of testing the impairment. The cash generating units represent the main segments of the bank.

(P/2) Other intangible assets

- Other intangible assets that are acquired by the Bank are stated at cost less accumulated amortization and any adjustment for impairment losses. Other intangible assets are comprised of separately identifiable items arising from acquisition of subsidiaries, such as customer relationships, and certain purchased trademarks and similar items. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized but they are tested for impairment

Non financial assets impairment

- Assets with indefinite life (except for Goodwill) are assessed at each balance sheet date or more frequently, to determine whether there is any indication of impairment. If any such indication exists, the assets are subject to an impairment review.
- An impairment loss is recognized whenever the carrying amount of an asset that generates largely independent cash flows or the cash-generating unit to which it belongs exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

R) 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.

S) 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.

T) 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.

U) 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 from acquisition.

V) Depreciation and Amortization

- Depreciation of Fixed Assets (except for lands) 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.

W) Share-based payments to employees

- The Bank engages in equity settled share-based payment transactions in respect of services received from certain of its 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 fair value of the equity instruments granted is determined using option pricing models, which take into account the exercise price of the instrument, the current share price, the risk free interest rate, the expected volatility of the bank share price over the life of the equity instrument and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant
- Are not taken into account in estimating fair value. Non-market vesting conditions are taken into account by adjusting the number of shares or equity instruments included in the measurement of the cost of employee services so that ultimately, the amount recognized in the income statement reflects the number of vested shares or equity instruments. Where vesting conditions are related to market conditions, the charges for the services received are recognized regardless of whether or not the market related vesting condition is met, provided that the non-market vesting conditions are met.

X) Taxes

- Income Tax on the profit or loss for the financial year 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 balance sheet 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 balance sheet date.

Financial Statements

- 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 does not 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 balance sheet 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 and 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 equity instruments, 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 staff 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 and 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.

Financial Statements

(5) Cash and Due From Central Bank

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
Cash & Cash Items	911,195,861	1,085,954,242
Reserve Balance with CBE		
» Current Accounts	3,268,060,628	3,387,059,358
Total Cash & Due From Central Bank	4,179,256,489	4,473,013,600

(6) Due From Banks

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
(A) Central Bank:-		
» Time Deposits	2,121,116,884	2,421,103,945
Total Due From Central Bank	2,121,116,884	2,421,103,945
(B) Local Banks:-		
» Current Accounts	192,657,582	214,459,971
» Time Deposits	781,548,400	321,186,900
Total Due From Local Banks	974,205,982	535,646,871
(C) Foreign Banks:-		
» Current Accounts	244,029,869	628,734,537
» Time Deposits	4,606,795,051	2,986,706,427
Total Due From Foreign Banks	4,850,824,920	3,615,440,964
Total Due From Banks	7,946,147,786	6,572,191,780

(7) Treasury Bills and Other Governmental Notes

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
91 Days Maturity	5,654,811,592	3,515,475,000
182 Days Maturity	4,539,175,000	1,951,800,000
364 Days Maturity	3,451,725,000	5,635,625,000
	13,645,711,592	11,102,900,000
Unearned Income	(446,750,679)	(612,767,361)
Total Treasury Bills	13,198,960,913	10,490,132,639
Reverse Repos	-	1,966,822,571
Total Treasury Bills and Other Governmental Notes	13,198,960,913	12,456,955,210

(8) Financial Assets For Trading

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
Debt Instruments:-		
» Government Bonds	75,348,283	101,369,914
» Other Debt Instruments	146,504,351	188,849,738
Total Debt Instruments	221,852,634	290,219,652
Equity Instruments:-		
» Foreign Company Shares	57,624,532	59,440,478
» Mutual Fund	211,661,790	291,967,300
Total Equity Instruments	269,286,322	351,407,778
Total Financial Assets For Trading	491,138,956	641,627,430

(9) Financial Investment

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
Available For Sale Financial Investment:-		
» Debt Instruments Listed - Fair Value	6,756,292,076	1,921,272,094
» Equity Instruments Listed - Fair Value	115,553,654	210,464,470
» Unlisted Instruments	558,131,421	643,228,686
Total Available For Sale Financial Investment	7,429,977,151	2,774,965,250
Held to Maturity Financial Investment:-		
» Listed Debt Instruments	272,889,366	306,374,803
» Unlisted Debt Instruments	317,167,843	374,888,471
Total Held to Maturity Financial Investment	590,057,209	681,263,274
Total Financial Investment	8,020,034,360	3,456,228,524
» Listed Balances	7,154,182,641	2,438,111,367
» Unlisted Balances	865,851,719	1,018,117,157
	8,020,034,360	3,456,228,524
Fixed Interest Debt Instruments	5,701,939,359	1,832,967,710
Variable Interest Debt Instruments	1,601,779,389	769,567,658
	7,303,718,748	2,602,535,368

Financial Statements

	Available for Sale Financial Investment	Held to Maturity Financial Investment	Total
Opening Balance 1/1/2008	2,353,862,934	443,894,166	2,797,757,100
Addition	11,159,837,393	512,915,742	11,672,753,135
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 Difference	(81,995,801)	-	(81,995,801)
Deduct - Impairment Losses	(37,819,662)	(2,632,774)	(40,452,436)
Balance at The End of Year	2,774,965,250	681,263,274	3,456,228,524
Opening Balance 1/1/2009	2,774,965,250	681,263,274	3,456,228,524
Addition	9,345,814,437	10,130,536	9,355,944,973
Deduction (Selling - Recovery)	(4,581,571,366)	(100,347,555)	(4,681,918,922)
Differences in Revaluation of The Cash Assets in Foreign Currencies	(8,035,073)	(989,046)	(9,024,119)
Profit From Fair Value Difference	(86,277,201)	-	(86,277,201)
Deduct - Impairment Provision	(14,918,896)	-	(14,918,896)
Balance at The End of Year	7,429,977,151	590,057,209	8,020,034,360

Profit (Losses) From Financial Investment

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
(Losses) Profit From Selling Available For Sale Financial Instruments	88,764,201	119,846,433
Losses From Impairment of Equity Instruments Available For Sale	(14,918,896)	(47,618,230)
Return (Losses) of Impairment From Available For Sale Debt Instruments	(8,035,072)	(7,219,106)
Profit From Selling Investments in Subsidiaries and Associates.	-	44,303,152
(Losses) Profit From Selling Held to Maturity Investments	(13,851)	-
Return (Losses) of Impairment From Held to Maturity Investments	530,452	-
	66,326,834	109,312,249

(10) Other Operating Income

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
(Losses) Profits From Assets & Liabilities Revaluation Except Trading	6,036,985	8,676,929
Profits From Selling Equipments and Fixed Assets	15,797,710	5,052,568
Provision No Longer Used	3,499,887	165,739,690
Others	(55,718,197)	(83,127)
Total	(30,383,615)	179,386,060

(11) Loans And Overdrafts

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
» Discounted Bills	698,155,737	795,836,842
» Loans & Overdrafts to Customers	28,110,159,864	26,867,609,401
» Loans & Overdrafts to Banks	172,873,891	344,498,810
Total Loans and Overdrafts	28,981,189,492	28,007,945,053
» Unearned Bills Discount	(92,637,396)	(119,310,349)
» Provision For Doubtful Debts	(1,443,582,590)	(1,408,297,328)
» Interest in Suspense	(141,285,321)	(150,009,498)
Net Loans and Overdrafts	27,303,684,185	26,330,327,878

Financial Statements

(12) Provision For Doubtful Debts

	Dec.31, 2009		
	Specific EGP	General EGP	Total EGP
Balance at Beginning of The Year	640,224,297	768,073,031	1,408,297,328
Formed During The Year	-	78,970,591	78,970,591
Recoveries From Written Off Debts	23,954,439	-	23,954,439
Foreign Currency Revaluation Diff.	(2,172,687)	-	(2,172,687)
	662,006,049	847,043,622	1,509,049,671
Usage During The Year	(65,467,081)	-	(65,467,081)
Transferred from General to Specific	(11,126,968)	11,126,968	-
Balance at The End of The Year	585,412,000	858,170,590	1,443,582,590

	Dec.31, 2008		
	Specific EGP	General EGP	Total EGP
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
	736,285,653	768,073,031	1,504,358,684
Usage During The Year	(96,061,356)	-	(96,061,356)
Balance at The End of The Year	640,224,297	768,073,031	1,408,297,328

(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 does not provide an indicator on the projected cash flows of the fair value for current instruments, those amounts do not reflect 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

	Dec.31, 2009			Dec.31, 2008		
	Notional Amount	Assets	Liabilities	Notional Amount	Assets	Liabilities
Foreign Derivatives:-						
» Forward Foreign exchange contracts	2,216,238,458	11,313,445	6,610,765	2,572,060,181	31,916,357	31,680,875
» Currency swap	2,282,456,175	59,700,304	8,520,349	3,457,152,333	65,087,047	57,539,919
» Options	1,115,741,508	6,680,711	6,680,711	112,099,475	1,080,796	1,080,796
Total Derivatives (1)		77,694,460	21,811,825		98,084,200	90,301,590
Interest rate derivatives:-						
» Interest rate Swaps	1,468,824,580	25,635,166	6,697,411	1,730,052	63,646,403	3,452,965
Total Derivatives (2)		25,635,166	6,697,411		63,646,403	3,452,965
» Commodity	219,509,800	122,017,594	122,017,594	1,235,414,832	543,160,189	543,160,189
Total Derivatives (3)		122,017,594	122,017,594		543,160,189	543,160,189
Total Assets (liability) For Trading Derivatives (1+2+3)		225,347,220	150,526,830		704,890,792	636,914,744

Financial Statements

(14) Financial Investments in Associated Companies

	Dec.31, 2009		Dec.31, 2008	
	Value (EGP)	%	Value (EGP)	%
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	1,086,962	40	602,500	40
» Egypt Factors	10,696,530	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	93,352,492		92,923,215	
The Financial Investments in Associated companies are represented as follows :-				
Financial Investments Unlisted in Stock Exchange	93,352,492		92,923,215	
Total	93,352,492		92,923,215	

(15) Capital Commitments

Commercial International Bank:

Financial Investments:-

The capital commitments for the financial investments reached on the date of financial position EGP 137,764,399 as follows:-

	Investments value EGP	Paid EGP	Remaining EGP
» Available for Sale Financial Investments	486,200,064	349,181,915	137,018,149
» Financial Investments in Associated 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 4,375,590

(16) Debit Balances and Other Assets

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
Accrued Revenues	451,247,580	398,537,508
Prepaid Expenses	71,046,513	57,238,848
Advances for Purchase of Fixed Assets	89,060,595	118,184,293
Assets Acquired as Settlement of Debts *	47,115,717	52,165,659
Accounts receivable and Other Assets **	347,073,376	346,728,856
	1,005,543,781	972,855,164

*This include the value of premises that was not recorded under the bank's name by EGP 34,884,964 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 8,331,048 as assets held for sale.

(17) Net Fixed Assets

Dec.31, 2009 EGP	Land	Premises	IT	Vehicles	Fitting - Out	Machines & Equipment	Furniture & Furnishing	Total
Opening Balance (3)	77,069,448	333,362,619	530,749,756	24,998,440	189,733,497	220,811,023	101,356,180	1,478,080,963
Additions (Deductions) During The Year	873,732	568,975	120,390,715	(91,675)	45,879,358	17,213,178	5,318,918	190,153,201
Closing Balance (1)	77,943,180	333,931,594	651,140,471	24,906,765	235,612,855	238,024,201	106,675,098	1,668,234,164
Accu.Depreciation at Beginning of The Year(4)	-	106,534,258	325,926,836	20,872,354	122,003,983	108,389,345	46,012,579	729,739,355
Current Year Depreciation	-	16,011,319	89,131,616	1,948,260	45,752,781	26,378,444	9,669,396	188,891,816
Accu.Depreciation at End of The Year(2)	-	122,545,577	415,058,452	22,820,614	167,756,764	134,767,789	55,681,975	918,631,171
End of Year Net Assets (1 -2)	77,943,180	211,386,017	236,082,019	2,086,151	67,856,091	103,256,412	50,993,123	749,602,993
Beginning of Year Net Assets (3 -4)	77,069,448	226,828,361	204,822,920	4,125,180	67,729,514	112,421,678	55,343,601	748,340,702
Depreciation Rates		5%	20%	%	33.3%	12.5%	10%	

Net Fixed Assets Value on The Balance Sheet date includes EGP 63,561,697 Non Registered Assets while their registrations Procedures are in process.

Financial Statements

(18) Due to Banks

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
(A) Central Bank:-		
» Current Accounts	33,070,672	75,056,264
Total Due to Central Bank	33,070,672	75,056,264
(B) Local Banks:-		
» Current Accounts	15,963,990	34,833,336
» Time Deposits	200,000,000	-
Total Due to Local Banks	215,963,990	34,833,336
(C) Foreign Banks:-		
» Current Accounts	209,110,567	116,257,050
» Time Deposits	-	2,847,572
Total Due to Foreign Banks	209,110,567	119,104,622
Total	458,145,229	228,994,222

(19) Customers' Deposits

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
» Demand Deposits	14,296,409,936	12,978,489,163
» Time and Notice Deposits	21,669,911,514	19,946,553,875
» Saving and Deposit Certificates	9,805,872,397	7,395,350,361
» Saving Deposits	8,024,613,798	7,316,052,948
» Other Deposits	851,846,877	1,153,583,462
Total	54,648,654,522	48,790,029,809

(20) Credit Balances and Other Liabilities

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
» Accrued Interest Payable	168,854,663	208,568,878
» Accrued Expenses	73,633,611	63,085,571
» Accounts Payable	461,958,938	916,240,507
» Income Tax	306,398,840	-
» Other Credit balances	128,871,410	82,571,958
Total	1,139,717,462	1,270,466,914

(21) Long Term Loans

	Rate %	Maturity Date	Maturing Through Next Year EGP	Balance as of Dec.31, 2009 EGP	Balance as of Dec.31, 2008 EGP
F.I.S.C.	7	3- 5 years	6,714,286	36,314,000	30,439,600
K.F.W	9 - 10.5	10 years	3,897,542	9,581,678	16,010,946
UNIDO	1	2011	580,591	2,249,926	847,580
Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3 - 5 years	28,565,635	33,687,857	58,804,557
Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3- 5 years	40,000	60,000	125,000
Social Fund	3 months T/D or 9% which more	2010	1,069,250	1,485,844	3,046,250
Spanish Microfinance Loan	4	2012	3,285,912	9,857,737	-
Total			44,153,216	93,237,042	109,273,933

(22) Other Provisions

Dec.31, 2009 EGP						
	Opening Balance	Formed During the Year	FCY Balance Reval. Difference	Usage During the Year	Balance No Longer Required	Closing Balance
» Provision For Income Tax Claims	155,953,095	-	-	-	-	155,953,095
» Provision For Legal Claims	1,271,113	3,298,742	-	(190,504)	(517,078)	3,862,273
» Provision For Contingent	206,313,939	6,131,807	(749,746)	-	-	211,696,000
» Provision For Other Claim	8,723,449	9,455,000	25,167	(6,346,855)	(3,499,887)	8,356,874
» Provision For End of Service	383,640	137,875	-	(229,750)	-	291,765
Total	372,645,236	19,023,424	(724,579)	(6,767,109)	(4,016,965)	380,160,007
Dec.31, 2008 EGP						
	Opening Balance	Formed During the Year	FCY Balance Reval. Difference	Usage During the Year	Balance No Longer Required	Closing Balance
» Provision For Income Tax Claims	229,198,246	7,017,276	1,583	(10,264,010)	(70,000,000)	155,953,095
» 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	492,272	10,213,953	-	(1,324,265)	(658,511)	8,723,449
» Provision For End of Service	74,903	339,610	-	(30,873)	-	383,640
Total	397,924,539	56,817,914	518,328	(11,957,034)	(70,658,511)	372,645,236

Financial Statements

(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 the 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 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 thousand has been deducted from the credit balances, special reserve and retained earnings by EGP 13,571 thousand in December 31, 2008 in result of fair value revaluations for those balances.

(24) Contingent Liabilities and Commitments

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
Letters of Guarantee	11,348,146,542	10,852,904,384
Letters of Credit (Import And Export)	820,272,115	1,933,869,400
Customers Acceptances	469,403,911	504,220,921
Total	12,637,822,568	13,290,994,705

(25) Net Interest Income

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
Interest Received from Loans and similar items:-		
» Banks	128,013,500	5,549,512
» Clients	2,136,658,036	2,003,772,928
	2,264,671,536	2,009,322,440
» Treasury Bills and Bonds	1,127,200,403	623,807,366
» Reverse Repose	74,641,951	1,024,064,455
» Financial Investment in Debt Instruments Held to Maturity and Available for Sale	566,009,583	49,785,679
» Other	115,389	58,227,573
Total	4,032,638,862	3,765,207,513
Interest Paid on deposits and similar items:-		
» Banks	164,842,854	97,515,593
» Clients	1,836,192,188	1,789,342,467
	2,001,035,042	1,886,858,060
» Other Loans	-	6,245,478
» Other	1,571,617	73,443,883
Total	2,002,606,659	1,966,547,421
Net	2,030,032,203	1,798,660,092

(26) Trading Net Profit

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
» Profit From Foreign exchange	291,327,008	277,942,194
» Revaluations of Assets and Liabilities in Foreign Currencies	(1,429,285)	(761,507)
» Profit (Losses) From Forward Foreign exchange Deals Revaluation	3,460,009	(1,555,899)
» (Losses) Profit From Interest Rate Swaps Revaluation	(41,255,686)	23,259,000
» (Losses) Profit From Swap Deals Revaluation	(307,591)	26,932,691
» Debt Instruments For Trading	156,564,981	53,231,649
» Equity Instruments For Trading	10,935,068	(33,680,387)
Total	419,294,504	345,367,741

Financial Statements

(27) Comparative Figures

The Comparative Figures are amended to confirm with the reclassification of The Current Year and General Assembly held on 5th of March, 2009 Decisions, for ratifying The Appropriation Account of Year 2008.

(28) Deferred Tax Assets and Liabilities

	Assets (liabilities) Dec.31, 2009 EGP	Assets (liabilities) Dec.31, 2008 EGP
Deferred tax assets and liabilities are attributable to the following:		
» Fixed Assets (Depreciation)	(29,507,214)	(28,505,471)
» Other Provision (Excluded Loan Loss, Contingent Liabilities And Income Tax Provisions)	3,045,281	1,998,913
» Other Items (Other Investments Revaluation Difference)	31,517,523	28,533,744
» Reserve For Employee Stock Ownership Plan (ESOP)	32,176,996	17,345,581
Total	37,232,586	19,372,767

(29) Reconciliation of Effective Tax Rate

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
» Profit Before Tax	2,048,535,373	1,616,419,056
» Tax Rate	20%	20%
» Income Tax Based on Accounting Profit		
» Add / (Deduct)	409,707,075	323,283,811
» Non-Deductible Expenses	23,292,072	67,996,440
» Tax Exemptions	(99,119,356)	(136,173,947)
» Effect of Provisions	4,888,792	(4,102,447)
» Income Tax	338,768,582	251,003,857
» Effective Tax Rate	16.54%	15.53%

(30) Earning Per Share

	Dec.31, 2009 EGP	Dec.31, 2008 EGP
» Net Profit For The Year	1,708,238,925	1,370,592,742
» Board Member's Bonus	(25,623,584)	(20,558,891)
» Staff Profit Sharing	(170,823,893)	(137,059,274)
» Shareholders' Share in Profits	1,511,791,448	1,212,974,577
» Number of Shares	292,500,000	292,500,000
Basic Earning Per Share	5.17	4.15
By Issuance of ESOP Shares Earning Per Share Will Be:-		
» Number of Shares including ESOP Shares	298,947,102	295,478,665
» Diluted Earning Per Share	5.06	4.11

(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 Year are as follows:

	Number of Shares
Outstanding at The Beginning of The Year	2,978,665
Granted During The Year*	3,685,004
Forfeited During The Year	(216,567)
Exercised During The Year	-
Expired During The Year	-
Outstanding At The End Of The Year	6,447,102

- » 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.

Financial Statements

(32) Assets and Liabilities Maturities

	Maturity Within One Year	Maturity Over One Year
Assets:-		
» Cash and Due From Central Bank	4,179,256,489	-
» Due From Banks	7,946,147,786	-
» Treasury Bills and Other Governmental Notes	13,645,711,592	-
» Trading Investments	491,138,956	-
» Available For Sale Investments	1,016,136,655	6,413,840,496
» Customers' Loans and Overdrafts	10,919,131,839	17,747,898,440
» Banks' Loans and Overdrafts	41,899	172,831,992
» Held to Maturity Investments	-	590,057,209
» Investments in Subsidiary Companies	-	93,352,492
» Debit Balances and Other Assets	1,005,543,781	-
Total	39,203,108,996	25,017,980,629
Liabilities:-		
» Due to Banks	458,145,229	-
» Customer Deposits	44,757,686,685	9,890,967,837
» Long Term Loans	44,153,216	49,083,826
» Credit Balances and Other Liabilities	1,139,717,462	-
Total	46,399,702,590	9,940,051,665

(33) Interest Rate

» The average interest rates applied for assets and liabilities during the Year in local currency are 6.68 % & 3.13% respectively.

(34) Tax Status

(A) Commercial International Bank

- » 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 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 pays stamp duty tax according to concerning domestic regulations and laws, and the disputes are under discussion in the court of law.

(B) CI Capital Holding Co.

- » CI Capital Holding company was established in April 9, 2005 according to the law No. 95 for year 1992 and its regulations and as for taxation law the company goes under law # 91 for year 2005 & its regulations.
- » The company did not receive any tax claim concerning income tax, salaries, and stamp duty.

(35) Distribution of Assets, Liabilities and Contingent Accounts

	Local Currency	Foreign Currency
1st Assets:-		
» Due From Banks	404,899,482	7,541,248,304
Loans & Overdrafts	EGP	%
» Agriculture Sector	69,916,302	0.24
» Industrial Sector	11,203,915,366	38.66
» Trading Sector	488,139,876	1.68
» Services Sector	10,981,691,909	37.89
» Household Sector	2,691,620,593	9.29
» Other Sectors	3,545,905,446	12.24
Total Loans & Overdrafts (Including unearned interest)	28,981,189,492	100.00
» Unearned Discounted Bills	(92,637,396)	
» Provision for Doubtful Debts	(1,443,582,590)	
» Unearned Interest & Commission	(141,285,321)	
Net Loans & Overdrafts	27,303,684,185	
	Local Currency	Foreign Currency
2nd Liabilities:-		
» Due to Banks	220,758,605	237,386,624
Customers' Deposits	EGP	%
» Agriculture Sector	221,417,866	0.41
» Industrial Sector	7,020,310,401	12.85
» Trading Sector	2,078,493,160	3.80
» Services Sector	10,734,652,072	19.64
» Household Sector	28,275,027,374	51.74
» Other Sector	6,318,753,649	11.56
Total Customers' Deposits	54,648,654,522	100.00
	Local Currency	Foreign Currency
3rd Contingent Accounts:-		
» Letters of Guarantee	5,353,604,266	5,994,592,276
» Letter of Credit (Import & Export)	14,299,332	805,972,783
» Customers Acceptances	18,184,685	451,219,226
Total Contingent Accounts	5,386,088,283	7,251,784,285

Financial Statements

(36) Main Currencies Positions

	Dec.31, 2009 in thousand EGP	Dec.31, 2008 in thousand EGP
» Egyptian Pound	60,421	(6,756)
» US Dollar	(29,077)	4,714
» Sterling Pound	279	(3,303)
» Japanese Yen	599	(333)
» Swiss Franc	1,081	1,024
» Euro	15,912	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 45,337,249 with redeemed value EGP 6,727,141,006.
- » The market value per certificate reached EGP 148.38 on 31/12/2009.
- » The Bank portion got 1,592,725 certificates with redeemed value EGP 236,328,536.

Istethmar Fund

- » CIB 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 3,765,207 with redeemed value EGP 299,183,348.
- » The market value per certificate reached EGP 79.46 on 31/12/2009.
- » The bank portion got 194,744 certificates with redeemed value EGP 15,474,358.

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 1,022,303 with redeemed value EGP 64,333,528.
- » The market value per certificate reached EGP 62.93 on 31/12/2009.
- » The bank portion got 39,729 certificates with redeemed value EGP 2,500,146.

(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.

EGP		
» Loans & Overdrafts	696,175,023	
» Investment in Subsidiary Companies	92,865,530	
» Available For Sale Mutual Fund Managed by Subsidiary	43,909,577	
» Contingent Accounts	56,515,045	
Income Expenses		
	EGP	EGP
» International Co. for Security & Services	834,938	48,690,613
» Corplease Co.	48,586,200	1,166,134
» Commercial International Life Insurance Co.	8,942,224	3,319,179

(39) Acquisition Cost

In July 9, 2008, the bank acquired 49.89% as an extra portion in CI Capital Co. to be 99.89% and the Provisional-Consolidation process has been finished by the end of year 2008 and the consolidation process has a result of goodwill in amount of EGP 384,221,251 in the acquisition date.

As a result of current financial turmoil in the international and local markets, a sharp decline in market indicators has been witnessed since October 2008, therefore the bank has prepared a study to determine the impairment value in the Goodwill which showed a decline of an amount of EGP 183,698,000 which has been carried with income statement at the end of the year

Intangible Assets which has been acquired at the acquisition date are determined as follows:-

EGP	
» Brand	336,790,272
» Licenses	20,000,000
» Contracts	119,694,389
» Customer Relationships	198,187,745
Total	674,672,406
Amortization till December 2009	(101,200,860)
Net Intangible Assets	573,471,546

10 Year historical Pro Forma Financial Statement

Bank Assets	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cash and Due from CBE	1,618.0	1,829.5	2,050.6	2,674.3	2,970.8	3,077.7	3,742.9	4,953.2	4,473.0	4,179.2
Due from Banks	2,056.7	2,347.9	2,900.7	3,782.0	4,650.0	3,406.6	5,432.7	13,782.1	6,411.4	7,785.0
Treasury Bills	682.7	808.2	1,321.6	1,427.2	2,943.0	3,494.3	4,058.7	2,948.7	12,449.0	13,191.7
Investment	1,596.4	1,947.1	2,012.1	3,114.3	3,162.3	5,295.1	5,363.4	3,745.7	5,079.4	9,519.4
Loans & Advances (net of provisions)	10,313.0	11,107.2	10,918.7	12,505.2	13,394.5	14,039.1	17,464.7	20,478.6	26,330.3	27,303.7
Sundry Assets	230.5	377.9	339.7	418.4	561.5	701.2	862.3	1,073.4	964.4	1,000.3
Non-Banking Assets	136.0	183.6	215.2	232.0	294.8	376.4	497.8	607.1	715.3	718.8
Derivatives								75.3	704.9	225.3
Total Assets	16,633.3	18,601.4	19,758.6	24,153.4	27,976.7	30,389.5	37,422.5	47,664.1	57,127.7	63,923.5
Bank Liabilities	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Customer Deposits	11,375.1	13,993.8	15,814.7	20,414.7	23,979.2	24,870.3	31,600.2	39,514.5	48,938.1	54,842.6
Bank Deposits	176.9	285.1	327.9	163.3	224.7	719.7	1212.5	2377.1	213.5	458.1
Dividends and Profit Sharing	288	289.9	238.8	242.5	285.7	200.2	287.2	336.7	478.2	0.0
Bonds	600	600	300	-	-	-	-	-	-	-
Mid-term Borrowings	1,396.9	768	326	270.4	121	98.3	99.2	161.4	109.3	93.2
Provisions & other liabilities	1,332.9	1,089.3	1,033.7	1,154.5	1,243.1	1,973.9	1,183.5	1,130.4	1,599.0	1,480.5
Derivatives								63.2	636.9	150.5
Net Worth	1,463.50	1,575.30	1,717.40	1,908.00	2,123.10	2,527.10	3,039.90	4,080.70	5,630.97	6,898.4
Total Liabilities & Net Worth	16,633.3	18,601.4	19,758.6	24,153.4	27,976.7	30,389.5	37,422.5	47,664.1	57,127.7	63,923.5
Profit & Loss Statement	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Interest Income	1,391.6	1,363.4	1,390.5	1,447.9	1,617.1	2,028.2	2,317.8	2,993.7	3,631.0	4,026.3
Interest Expense	(943.6)	(925.3)	(883.4)	(869.1)	(908.2)	(1132.3)	(1378.2)	(1796.7)	(1988.6)	(2,000.9)
Net Interest Income	448.0	438.1	507.1	578.8	708.9	895.9	939.6	1197.2	1642.4	2,025.5
Fee & other Income	394.5	455.0	423.7	432.5	563.8	589.7	817.7	1116.0	1557.7	1,197.2
SG&A	(189.2)	(189.5)	(203.6)	(267.2)	(444.4)	(510.0)	(684.3)	(661.5)	(950.1)	(1,040.8)
Provisions & Other Expenses	(138.6)	(252.5)	(304.4)	(250.3)	(272.7)	(364.9)	(194.3)	(250.4)	(394.1)	(96.2)
Net Profit Before Tax (NPBT)	514.7	451.1	422.8	493.8	555.7	610.6	878.7	1400.9	1855.9	2,085.6
General Income Tax	(129.7)	(49.3)	(41.9)	(81.2)	(50.0)	(34.0)	(83.8)	(180.0)	(209.8)	(346.6)
Deferred Tax						33.5	7.1	12.2	(31.0)	18.0
Net Profit After Tax (NPAT)	385.0	401.8	380.9	412.6	505.7	610.1	802.0	1232.8	1615.1	1,757.0
Growth	10%	4%	%-5	8%	23%	21%	31%	54%	31%	9%

Branches & Units

Year	Branches	Units & FX	Total
2009	108	47	155
2008	104	48	152
2007	88	43	131
2006	74	45	119
2005	61	39	100
2004	53	39	92
2003	43	38	81
2002	38	44	82



www.cibeg.com

Head Office
Nile Tower Building
21 / 23 Charles De Gaulle St., Giza
P.O. Box 2430 Cairo, Egypt.
Tel.: (+202) 3747 2000 - (+202) 3570 3022
Fax: (+202) 3570 1945
E-mail: info@cibeg.com
Website: www.cibeg.com