بنك مصر
BANQUE MISR
نعمل معاً لخير بلدنا

BANQUE MISR - S.A.E.
Summarized Financial Statements
As of and for the year ended
June 30, 2011

Ahmed Farghally Hassan (*AGAC*)	Zeinab Bayoumy Moussa Mabrouk
Chartered Accountant	Central Auditing Organization

Contents

Ahmed Farghally Hassan (AGAC)
Chartered Accountant

Zeinab Bayoumy Moussa Mabrouk
Central Auditing Organization

AUDITORS` REPORT

ON THE SUMMERIZED FINANCIAL STATEMENTS

OF BANQUE MISR FOR THE YEAR ENDED JUNE 30, 2011

To : The Shareholders' of Banque Misr (S.A.E.)

We have audited the financial statements of Banque Misr (S.A.E) as of and for the year ended June 30, 2011 from which the accompanying summarized financial statements were derived in accordance with Egyptian Standards on Auditing and in the light of provisions of applicable Egyptian laws and regulations. In our report dated February 02, 2012 we expressed an unqualified opinion on the bank's financial statements as of June 30, 2011 from which the accompanying summarized financial statements were derived.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived as of and for the year ended June 30, 2011.

For the better understanding of the Bank's financial position as of June 30, 2011 and the results of its operations for the year then ended, and the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereon.

Cairo : May 30, 2012

Ahmed Farghally Hassan (*AGAC*)
A-Farghally
Chartered Accountant

Zeinab Bayoumy Moussa Mabrouk
Zeinab
Central Auditing Organization

BANQUE MISR - S.A.E.
Balance Sheet as of June 30, 2011
(Amounts are Expressed in EGP Thousands)

	Note	30/6/2011	30/6/2010 "Restated"
Assets			
Cash and balances at central banks		17 276 222	12 725 300
Due from banks		16 670 956	27 033 577
Treasury bills		41 637 695	40 546 417
Financial assets held for trading	(5)	4 170 669	4 505 341
Loans and advances to banks	(6)	465 883	827 880
Loans and advances to customers	(7)	45 352 035	41 441 668
Available for sale investments	(8)	36 626 844	29 972 130
Investments held to maturity	(8)	963 832	7 126 099
Investments in subsidiaries and associates		2 653 860	2 456 611
Other assets		11 157 707	11 856 341
Fixed assets (net of accumulated depreciation)		474 697	438 842
Total Assets		**177 450 400**	**178 930 206**
Liabilities and Shareholders' Equity			
Liabilities			
Due to banks		3 106 946	15 085 807
Customers' deposits	(9)	154 474 764	144 482 502
Long-term loans	(10)	6 704 769	6 614 163
Other liabilities		4 114 900	3 996 711
Other provisions	(11)	1 756 908	1 794 422
Deferred tax liabilities		170 427	87 053
Total Liabilities		**170 328 714**	**172 060 658**
Shareholders' Equity			
Paid-in capital	(12)	5 000 000	3 400 000
Reserves	(13)	1 609 385	3 472 629
Retained Earnings (Losses)		512 301	(3 081)
Total shareholders' equity		**7 121 686**	**6 869 548**
Total Liabilities and Shareholders' Equity		**177 450 400**	**178 930 206**
Contingent Liabilities and Commitments			
Liabilities for letters of guarantee, letters of credit and other commitments		**15 100 589**	**13 579 647**

The accompanying notes are an integral part of these financial statements and are to be read therewith.

Sherif Samy
Chief Financial Officer

Mohamed Abbas Fayed
Vice Chairman

Mohamed Barakat
Chairman

Auditors' report attached

Auditors

Ahmed Farghally Hassan (*AGAC*)
Chartered Accountant

Zeinab Bayoumy Moussa Mabrouk
Central Auditing Organization

BANQUE MISR - S.A.E.
Income Statement for the year ended June 30, 2011
(Amounts are Expressed in EGP Thousands)

	Note	30/6/2011	30/6/2010 "Restated"
Interest income		10 767 311	9 145 634
Interest expense		(8 629 042)	(7 875 854)
Net interest income		**2 138 269**	**1 269 780**
Fees and commission income		790 133	760 071
Fees and commission expense		(12 272)	(27 566)
Net fees and commission income		**777 861**	**732 505**
Dividend income		466 739	601 046
Net trading income		497 154	420 854
Gains from financial investments		181 345	7 439 992
Impairment charges for credit losses		(115 624)	(7 064 758)
General and Administrative expenses		(2 042 162)	(1 776 509)
Other operating expenses		(232 754)	(255 157)
Profit before tax		**1 670 828**	**1 367 753**
Income tax expense		**(1 155 446)**	**(858 095)**
Net Profit		**515 382**	**509 658**
Earnings per share (in EGP)	(14)	**0.49**	**0.45**

BANQUE MISR - S.A.E.

Summarized statement of cash flows for the year ended June 30, 2011

(Amounts are Expressed in EGP Thousands)

	30/6/2011	**30/6/2010 "Restated"**
Net cash flows provided from (used in) operating activities	(7 455 598)	26 243 445
Net cash flows provided from (used in) investing activities	(188 631)	101 005
Net cash flows provided from financing activities	53 148	50 573
Net increase in cash and cash equivalents during the year	**(7 591 081)**	**26 395 023**
Cash and cash equivalents at the beginning of the year	**28 806 326**	**2 411 303**
Cash and cash equivalents at the end of the year	**21 215 245**	**28 806 326**
Cash and cash equivalents include :		
Cash and due from central banks	17 276 222	12 725 300
Due from banks	16 670 956	27 033 577
Treasury bills and other government securities	41 637 695	40 546 417
Deduct : Due from CBE obligatory reserve balance	(15 208 192)	(10 871 092)
Deduct : Due from banks (over three months maturity)	(234 814)	(81 952)
Deduct : Treasury bills (over three months maturity)	(38 926 622)	(40 545 924)
Cash and cash equivalents at the end of the year	**21 215 245**	**28 806 326**

Translation of Financial Statements
Originally Issued in Arabic

BANQUE MISR - S.A.E.

Summarized statement of changes in shareholders' equity for the year ended June 30, 2011

(Amounts are Expressed in EGP Thousands)

	Note No	Paid in Capital	Legal Reserve	General Reserve	Capital Reserve	Fair Value Reserve	Special Reserve	General Banking Risk Reserve	Other Reserve	Retained Earnings	Total
Balance as of July 1, 2009 as reported	**13**	**3 400 000**	**177 980**	**235 064**	**543 932**	**1 496 334**			**1 101 845**		**6 955 155**
Effect of change in accounting policies							6 927		-		**6 927**
Balance as of July 1, 2009 as restated		**3 400 000**	**177 980**	**235 064**	**543 932**	**1 496 334**	**6 927**	-	**1 101 845**	-	**6 962 082**
Foreign currency translation differences		-	-	-	(21 015)	-	-	-	-	-	(21 015)
Net change in fair value of avaliable for sale investments (net of tax)		-	-	-	-	(523 388)	-	-	-	-	(523 388)
Net profit		-	-	-	-	-	-	-	-	509 658	509 658
Dividends		-	-	-	-	-	-	-	-	(57 789)	(57 789)
Transfers to reserves		-	50 829	50 829	896	-	-	3 551	348 845	(454 950)	0
Balance as of June 30, 2010 as restated		**3 400 000**	**228 809**	**285 893**	**523 813**	**972 946**	**6 927**	**3 551**	**1 450 690**	**(3 081)**	**6 869 548**
Balance as of July 1, 2010 as restated		**3 400 000**	**228 809**	**285 893**	**523 813**	**972 946**	**6 927**	**3 551**	**1 450 690**	**(3 081)**	**6 869 548**
Net change in fair value of avaliable for sale investments (net of tax)		-	-	-	-	(331 709)	-	-	-	-	(331 709)
Foreign currency translation differences		-	-	-	68 465	-	-	-	-	-	68 465
Net profit		-	-	-	-	-	-	-	-	515 382	515 382
Capital Increase		1 600 000	-	-	(312 414)	-	-	-	(1 287 586)	-	0
Balance as of June 30, 2011		**5 000 000**	**228 809**	**285 893**	**279 864**	**641 237**	**6 927**	**3 551**	**163 104**	**512 301**	**7 121 686**

BANQUE MISR - S.A.E.
Statement Of Profit Appropriation
for the year ended June 30, 2011
(Amounts are Expressed in EGP Thousands)

	30/6/2011	30/6/2010 "Restated"
Net profit	515 382	509 658
Deduct:		
Gain on sale of fixed assets transferred to capital reserve	414	896
Retained Earnings (Losses)	3 081	0
Gross Distributable Profit:	**511 887**	**508 762**
Deduct:		
Legal reserve	51 189	50 829
General Banking Risk Reserve	361 612	3 551
Net Distributable Profit:	**99 086**	**454 382**
To be Distributed as follows:		
General reserve	9 909	50 829
Reserve for increases in fixed assets prices	4 954	25 415
Supportive reserve	0	323 429
Transfers to the Fund for reforming public sector banks	4 459	20 332
Employees` share in profit	19 941	37 458
State share in profits*	59 823	0
Retained Earnings (Losses)	**0**	**(3 081)**
Total	**511 887**	**508 762**

*The state share in profit will be directed to the supportive reserve.

1. General information

Banque Misr (S.A.E.) was established on April 3, 1920 as a commercial bank. The head office is located at 151, Mohamed Farid Street, Cairo.
The Bank carries out corporate, retail and investment banking in addition to Islamic banking through 474 branches in the Arab Republic of Egypt and 5 branches in U.A.E. and one branch in France. The number of employees at the balance sheet date is 12.226 employees.
These financial statements were approved in the General Assembly meeting dated May 23, 2012.

2. Summary of accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all years presented unless stated otherwise.

A- Basis of preparation

These separate financial statements have been prepared in accordance with Egyptian financial reporting standards issued in 2006 and its amendments and in accordance with the Central Bank of Egypt regulations approved by the board of directors on December 16, 2008 under the historical cost convention, as modified by the revaluation of financial assets held for trading and available for sale investment.
The separate financial statements of the Bank had been prepared up to June 30, 2010 according to the Central Bank of Egypt regulations issued in June 27, 2002 which were effective to that date. Those regulations were different in certain aspects from the new Egyptian financial reporting Standards issued in 2006 and its amendments. Upon the preparation of the separate financial statements for the financial year ended June 30, 2011 the Bank's management changed certain accounting policies, and basis of recognition and measurement in compliance with the new Egyptian financial reporting Standards and Principles of Recognition and Measurement as issued by the Central Bank of Egypt Board of Directors on December 16, 2008.

B- Foreign currency translation

B/1 Functional and presentation currency

Items included in the financial statements of each of the bank's branches are measured using their functional currency, being the basic currency of economic environment in which the branch operates. The separate financial statements are presented in Egyptian pound, which is the functional currency of the domestic branches and the presentation currency of the bank.

B/2 Transaction and balances in foreign currencies

Each Branch maintain its accounting records in its Functional currency. Monetary assets and liabilities denominated in foreign currencies are retranslated on the balance sheet date at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following items:

- Financial assets held for trading,
- Other operating revenues (expenses) for the remaining items.

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as available for sale assets are analyzed into valuation differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument.

Valuation differences resulting from changes in the amortized cost are recognized and reported in the income statement in ' interest income' whereas differences resulting from changes in foreign exchange rates are recognized and reported in 'other operating revenues (expenses)'. The remaining differences resulting from changes in fair value are deferred in equity and accumulated in the 'revaluation reserve of available-for-sale investments'.

Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as available-for-sale financial assets are recognized directly in equity in the 'revaluation reserve of available-for-sale investments'.

B/3 Foreign Branches

For the purpose of translation into the Egyptian pound, assets and liabilities of foreign branches are translated using the closing rate at the balance sheet date while items of income and expense are translated into the Egyptian pound at the rates prevailing at the dates of the transactions or average rates of exchange where these approximate to actual rates. The differences arising on the translation of foreign branches are included in equity.

C- Revenue recognition

C/1 Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in 'Interest income' and 'Interest expense' in the income statement using the effective interest method.

The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts .

C/2 Fees and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided.

Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of that financial asset.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the bank are recognized when the syndication has been completed and the bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions.

Fees and Commission resulting from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognized on completion of the underlying transaction in the income statement.

Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service.

Fees charged for custodian services provided over long periods are recognized as income over the period during which the service is rendered.

C/3 Dividend Income

Dividends are recognized when declared.

D- Treasury bills

Treasury bills are recorded at par value while discount (unearned interest) is included in Credit Balances and Other Liabilities. Treasury bills are presented on the balance sheet net of unamortized discount.

E- Sale and repurchase agreements

Securities may be lent or sold subject to a commitment to repurchase (repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased subject to a commitment to resell them (reverse repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

F- Impairment of financial assets

F/1 Financial Assets carried at amortized cost

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The objective evidence for impairment loss of the financial asset includes observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although not possible to determine the decrease of each asset separately.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant, and in this field the following are considered:

• If the bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment according to historical default ratios.

• If the bank determines that an objective evidence of financial asset impairment exist that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

F/2 Available-for-sale Investments

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets classify under available for sale is impaired. In the case of equity investments 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 the assets are impaired. The Decrease Consider significant when it becomes 10% From cost of book value of the financial instrument and the decrease consider to be extended if it continue for period more than 9 months, and if the mentioned evidences become available then the accumulated loss to be post from the equity and disclosed at the income statement, impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

G- Financial assets

G/1 financial assets held for trading

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the near future or if it is a part of a portfolio of identified financial instruments that are managed together for short-term profit-taking. Financial assets held for trading are measured at fair value. Unrealized holding gains and losses are recognized in the income statement.

G/2 Available for sale investments

Available for sale investments are non-derivative financial assets that are either designated as available for sale or do not fit into any other category of financial assets. Available for sale investments are measured at fair value. Unrealized holding gains and losses are included in a separate component of equity until the financial asset is sold or impaired. At this time, the cumulative gain or loss previously recognized in equity is recycled to the income statement.

Interest is calculated using the effective interest method. Foreign currency gains and losses on monetary assets classified as available for sale are recognized in the income statement. Dividends on available for sale equity instruments are recognized in the income statement when the bank's right to receive payment is established.

G/3 Held to maturity investments

Investments held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank management has the positive intent and ability to hold to maturity.

Debt investments held to maturity are measured at amortized cost using the effective interest method.

Banque Misr mutual funds certificates which the Bank is required by law to hold until fund liquidation are included in held to maturity investments according to Central Bank of Egypt rules and are measured at cost. Any decrease in redemption value below cost is recognized as impairment in the income statement. Impairment loss previously recognized is reversed in case of subsequent increase. The reversal can not result in a carrying value greater than original cost.

G/4 Investments in Subsidiaries and Associates

Investments in subsidiaries and associate are measured at cost. If fair value of an individual investment declines below book value, it is reduced to reflect the impairment and such decrease is charged to the income statement under "Gains (losses) on financial investments". Subsequent increase in the fair value is credited to the same item in the income statement up to the amount previously charged.

H- Fixed assets & Depreciation

Fixed assets are recorded at historical cost less depreciation and impairment losses. Depreciation of Fixed assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings & constructions	5%	Vehicles	20%
Automated systems	25%	Furniture	100%
Equipment	12.5%	Electricity generators	33.5%
IT equipment	25%	Central Air Condition Units	12.5%

I-Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash and balances due from Central Bank of Egypt other than for mandatory reserve, current accounts with banks, and treasury bills maturing within 3 months from the acquisition date.

J- Other provisions

Other provisions are recognized when the bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.
When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated .

K- Income tax

Income tax on the profit or loss for the year and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity. Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the balance sheet in addition to tax adjustments for previous years.
Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet. Deferred tax assets of the bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

3. Financial risk management

The Bank’s activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank’s aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank’s financial performance. And the most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.
The Bank’s risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.
Risk management is carried out by a risk department under policies approved by the Board of Directors. Risk department identifies, evaluates and hedges financial risks in close co-operation with the Bank’s operating units. In addition, risk department is responsible for the independent review of risk management and the control environment.

Capital Management

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt. The required data is submitted to the Central Bank of Egypt on a quarterly basis.

Central bank Of Egypt requires the following:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-in capital.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities

The Bank manages its capital resources to ensure that foreign branches that are subject to local capital adequacy regulation in individual countries meet their minimum capital requirements.

The bank has complied with all Capital adequacy requirements for the past two years. The table below summarizes the compositions of tier 1, tier 2 and the capital adequacy ratio at the end of financial year:

Capital	**30/6/2011**	**30/6/2010**
Tier 1 capital	5 889 205	5 889 205
Tier 2 capital	3 335 455	3 548 000
Total capital	9 224 660	9 437 205
Total risk weighted assets and contingent liabilities	70 800 664	71 056 894
Capital adequacy ratio	13.03%	13.28%

4. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available info.

Amounts in EGP Thousand

5- Financial assets held for trading

	30/6/2011	30/6/2010
Debt instruments		
Government bonds	144 721	157 847
Other debt securities	501 494	615 499
Investment portfolios managed by external managers	3 333 494	3 132 420
Total Debt instruments	**3 979 709**	**3 905 766**
Equity instruments		
Shares	185 473	102 758
Mutual fund certificates	5 487	5 697
Investment portfolios managed by external managers	0	491 120
Total Equity instruments	**190 960**	**599 575**
Total Financial assets held for trading	**4 170 669**	**4 505 341**

6- Loans and advances to banks

	30/6/2011	30/6/2010
Term loans	483 149	870 340
Deduct : provision for loan losses	(17 266)	(42 460)
Total	**465 883**	**827 880**

7- Loans and advances to customers

	30/6/2011	30/6/2010
(1) Retail		
Over draft	1 426 285	798 745
Credit card loans	124 560	114 152
Personal loans	2 002 820	1 198 435
Mortgages loans	48 844	2 425
Total retail	**3 602 509**	**2 113 757**
(2) Corporate loans (including loans to small businesses)		
Over draft	19 338 897	33 872 933
Direct loans	22 324 022	21 546 911
Syndicated loans	10 032 358	7 763 448
Other loans	173 198	118 699
Total Corporate	**51 868 475**	**63 301 991**
Total loans and advances to customers(1+2)	**55 470 984**	**65 415 748**
Deduct: provision for loan losses	(9 778 502)	(23 670 169)
Deduct: unearned discount and interest in suspense	(340 447)	(303 911)
Net loans and advances to customers	**45 352 035**	**41 441 668**
Gross loans distributed to:		
Current	42 967 679	38 147 561
Non-Current	12 503 305	27 268 187
	55 470 984	**65 415 748**

Amounts in EGP Thousand

Impairment from loans provision for customers

Analysis of the Impairment from loans provision for customers

	30/6/2011 Non Performing Loans	30/6/2011 Performing Loans	30/6/2011 Total	30/6/2010 Non Performing Loans	30/6/2010 Performing Loans	30/6/2010 Total
Balance at beginning of the year	23 000 775	669 394	23 670 169	17 426 316	153 414	17 579 730
Transfers	470 796	(342 034)	128 762	(601 344)	533 620	(67 724)
Losses of Impairment from loans	60 518	17 271	77 789	7 031 522	--	7 031 522
Recoveries of loans previously written off	35 631	--	35 631	81 079	--	81 079
Foreign currency revaluation differences	151 086	28 484	179 570	54 817	(17 640)	37 177
Write-offs	(14 313 419)	--	(14 313 419)	(991 615)	--	(991 615)
Balance at the End of the year	**9 405 387**	**373 115**	**9 778 502**	**23 000 775**	**669 394**	**23 670 169**

	Retail				
June.30, 2011	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Total**
	53.699	12.005	399.080	2.781	**467.565**
June.30, 2010	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Total**
	33.662	12.688	284.236	138	**330.724**

	Corporate				
June.30, 2011	**Overdrafts**	**Direct loans**	**Syndicated loans**	**Other loans**	**Total**
	8.650.420	590.431	70.086	0.0	**9.310.937**
June.30, 2010	**Overdrafts**	**Direct loans**	**Syndicated loans**	**Other loans**	**Total**
	22.528.608	734.778	76.059	0.0	**23.339.445**

8- Financial investments

	30/6/2011	30/6/2010
(A) Available for sale Investments		
Debt instruments – Listed	26 123 205	19 261 101
Equity instruments – Listed	6 003 394	5 343 988
Debt instruments – Unlisted	1 557 200	2 646 992
Equity instruments – Unlisted	2 943 045	2 720 049
Total available for sale investments (1)	**36 626 844**	**29 972 130**
B) Held to maturity Investment		
Debt instruments – Listed	208 636	223 115
Debt instruments – Unlisted	429 535	6 567 777
Equity instruments – Unlisted	325 661	335 207
Total held to maturity investments (2)	**963 832**	**7 126 099**
Total financial Investments (1+2)	**37 590 676**	**37 098 229**
Current	1 774 093	8 014 370
Non current	35 816 583	29 083 859
	37 590 676	**37 098 229**

Amounts in EGP Thousand

The following table analyzes movement on financial investments during the year:

	Available for sale investments	Held to maturity investments
Beginning balance on June30, 2010	29 972 130	7 126 099
Addition	9 489 339	43 324
Deduction	(2 386 405)	(6 399 979)
Translation differences resulting from monetary foreign currency assets	7 547	201 117
Losses from fair value difference	(248 336)	0
Impairment charges	(207 431)	(6 729)
Balance at end of year	**36 626 844**	**963 832**
Beginning balance on June30, 2009	23 165 697	7 106 635
Addition	12 941 530	143 040
Deduction	(5 453 897)	(232 858)
Translation differences resulting from monetary foreign currency assets	3 221	113 903
Losses from fair value difference	(624 233)	0
Impairment charges	(60 188)	(4 621)
Balance at end of year	**29 972 130**	**7 126 099**

9- Customers' Deposits

	30/6/2011	30/6/2010
Demand deposits	8 579 046	8 343 313
Call and time deposits	39 171 755	37 114 875
Saving certificates	40 469 648	38 121 952
Saving deposits	64 102 053	58 885 640
Other deposits	2 152 262	2 016 722
	154 474 764	**144 482 502**
Corporate deposits	40 552 801	38 912 564
Retail deposits	113 921 963	105 569 938
Total	**154 474 764**	**144 482 502**
Non-interest bearing balances	9 247 460	10 360 035
Variable interest rate balances	78 079 044	59 674 541
Fixed interest rate balances	67 148 260	74 447 926
Total	**154 474 764**	**144 482 502**
Current	132 764 569	117 561 150
Non current	21 710 195	26 921 352
	154 474 764	**144 482 502**

Amounts in EGP Thousand

10- Long Term Loans

	Interest Rate %	Balance as at 30/6/2011	Balance as at 30/6/2010
Denmark International Development Aids (Central Bank of Egypt)	Nil	3 594	4 860
Loan of Egyptian Holding Co. Silos & Storage - Fayoum	Nil	23 894	22 338
Qena/Menia/Beni Sweif Silos Complex	Nil	77 293	70 982
Social Fund / Twelfth Contract	6.5%	11 550	22 950
Social Fund / thirteenth Contract	7%	858	1 238
The Contract of development of small and medium-projects	9.75%	15 000	15 000
The Contract of development of a poultry	4.5%	15 000	15 000
C.B.E .Local Supportive Loan	Nil	880 090	783 941
Ministry of Finance Long – term deposit	3%	5 677 490	5 677 854
		6 704 769	**6 614 163**
Current		33 643	25 729
Non current		6 671 126	6 588 434
		6 704 769	**6 614 163**

11- Other Provision

	30/6/2011	30/6/2010
Provision for legal claims	943 704	893 972
Provision for contingent	697 392	803 160
Other	115 812	97 290
Total	**1 756 908**	**1 794 422**

12- Paid-in capital and reserves

A. Authorized capital
The authorized capital of the Bank amounts to EGP 15000 million.

B. Issued and paid-in capital
Issued and paid-in capital amounts to EGP 5000 million divided into 1000 million shares of 5 pounds each.

13- Reserves

- In accordance with the Bank's articles of incorporation, 10% of net profit is to be credited to legal reserve. Crediting legal reserve ceases when its balance reaches 100% of the paid-up capital.
- In accordance with Central Bank of Egypt directives, the balance of the special reserve cannot be used prior to Central Bank of Egypt approval.

Amounts in EGP Thousand

	30/6/2011	30/6/2010
Legal reserve	228 809	228 809
General reserve	285 893	285 893
Capital reserve	279 864	523 813
Fair Value reserve	641 237	972 946
Special Reserve	6 927	6 927
General Banking risk reserve	3 551	3 551
Other reserve	163 104	1 450 690
Balance at the end of the year	**1 609 385**	**3 472 629**

14- Earnings per share

	30/6/2011	30/6/2010
Net profit attributable to the shareholder (EGP thousand) (1)	490 982	451 868
Divided by weighted average number of shares (thousands of shares)(2)	1 000 000	1 000 000
Earnings per share (EGP)(1:2)	**0.49**	**0.45**

15- Comparative figures

Comparative figures were reclassified to be consistent with current year presentation.