

Board of Directors

His Royal Highness Prince Mohamed Al-Faisal Al Saud

Chairman

Sheikh Ibrahim Ben Khalifa Al Khalifa

Representing Faisal Islamic Bank, Jersey

Dr. Ibrahim Gamil Badran

Dr. Eng. Ibrahim Fouad Al-Essays

Eng. Ahmed Helmy Abd El-Mageed

Sheikh Ahmed Salah Jamjoum

Mr. Khalid Abdullah Janahi

Representing the Islamic Investment Company of the Gulf, Al-Sharja

Mr. Ziad Hassan El-Rawashdeh

Representing the Gulf company for Financial Investments

Mr. Abdel Hamid Aboumoussa

Governor of the Bank

Mr. Omar Abdi Ali

His Royal Highness Prince Amr Mohamed Al-Faisal

Mr. Maged Ghaleb Mohamed Ghaleb

Representing Egyptian Wakfs Authority

Mr. Mohamed Abdel Rahman Hussein Abdallah Bougairi

Representing Faisal Investment Bank - Bahrain

Mr. Mohamed Kamal Abd El-Aziz Hashem

Mr. Mostafa Abo Bakr Azzam

Representing Egyptian Company For Investments

Governor

Mr. Abdel Hamid Aboumoussa

Board members are arranged in Arabic alphabetic order

Religious Supervisory Board

His Eminence Dr. Nasr Farid Wassel

Chairman

Counsellor: Abd El-Atti El-Shafei

Member

Mr. Ali Ahmed Hamdy

Member

Dr. Mohamed El-Shahat El-Gendy

Member

Dr. Mohamed Raafat Osman

Member

AUDITORS

Dr. Hazem Ahmed Yasseen.

Mr. Emad Hafez Ragheb.

Chairman's Report

I have the pleasure to present the annual report of the activity results and main achievements of the bank during the FY 2009. These results reflect the efforts exerted by the bank's management and its staff. The bank realized, during the year under review, positive and sound indicators expressing and reflecting the targets of the general strategy adopted by the management to sustain and develop the bank's share in the Egyptian market and enhance its stance in the Islamic Banking Industry regionally and internationally.

In this respect, the bank's volume of business amounted to the equivalent to L.E. (27.9) billion, recording an annual increase of L.E. (3.8) billion; at a rate of (15.8%). Investment accounts and saving certificates increased by L.E. (3.6) billion to reach the equivalent to L.E. (25.5) billion; at a rate of (16.4%). The balances of all saving pools are distributed over about one million account.

The bank successfully invested and deployed the funds which the Bank manages on behalf of their holders in modes adhering to the legitimate rules to satisfy the customers' needs in the private sector, institutions, companies and medium and small scale enterprises with due care to portfolio diversity, enhance expansion, mitigate the concentration risk, encountering risks to their minimum levels and ensuring adequacy of provisions.

Net finance and investment balances (after provisions) amounted to the equivalent to L.E. (24.3) billion in 31/12/2009; as against L.E. (21.4) billion during previous year. The bank succeeded during the year under review in supporting the finance and investment provision by about L.E. (429.3) million, bringing its total to L.E. (1936.3) million as at 31/12/2009.

In addition to this, the number of the companies established and participated in by the bank amounted to (69) companies covering all sectors of economic activity. Total capital of these companies amounted to the equivalent to L.E. (18.6) billion, with bank's participation share of L.E. (2.1) billion; (11.3%).

As regarding retail banking activities, the year under review witnessed application of various financing modes to finance members of professional syndicates, purchase of durable goods, cars and housing units.

The bank also issued more Debit Cards "Visa Electron" and "ATM cards". Similarly, the number of "ATMs" rose to (60) machine installed outside the bank branches and in the public squares.

The bank also continued its activation and support of its Islamic Mutual Funds; Growth and Income Mutual Fund and Capital Growth Mutual Fund. The results of these funds showed positive development at end of the year under review.

As for the geographical coverage and re-engineering the old branches, two new branches were inaugurated during the year under review, at Alexandria "Mostafa Kamel Branch" and "Al-Obour Branch" at greater Cairo Zone; bringing the bank's network of operating branches to (24), covering most of the governorates. Another (5) new branches are expected to be inaugurated during 2010 in the

governorates of Fayoum, Menia, Alexandria “third branch”, Cairo and Helwan. Besides, many old branches are being re-engineered now in Mehalla El-Kobra, Dokki and Heliopolis, and are expected to be re-inaugurated during the current fiscal year.

As a result of this, a total profit of L.E. (194.8) million has been realized including retained profits of L.E. (71) million, L.E. (0.5) million credited to Capital Reserve subject to the law, and the remaining amount of L.E. (123.3) million represents net distributable profits of the year; at a rate of increase of (46.9%) over previous year.

I would like to seize the opportunity of this occasion to extend my sincere gratitude and appreciation to the Bank’s customers and correspondents worldwide for their confidence and ongoing support. Tribute is also extended to the Bank’s management and staff for their relentless efforts, the Central Bank of Egypt for their sincere cooperation and the Religious Supervisory Board of the Bank.

Peace, mercy and blessings of Allah be upon you.

Mohamed Al-Faisal Al Saud

Chairman of the Board

Domestic Economy

GDP rose by (4.7%) during the FY 2008/ 2009; better than expected at the beginning of the international financial crisis, although less than the average growth rate achieved during the previous three years amounting to (7%).

A more stable climate is expected to prevail for the domestic economy during the near future in consideration of the positive indicators of the international economy during the last quarter of 2009 and its good prospects, in addition to the monetary and financial measures domestically adopted.

The consumer prices index decreased during December 2009; thus bringing inflation rate to (13.24%), against (18.3%) during December 2008. The monetary policy indicators during the period under review, came in line with the inflation and growth rates' prospects.

The foreign transactions results reflected the negative impacts of the crisis on the Egyptian economy, as total sources of the foreign currency (Revenues of tourism, Egyptian expatriates remittances, Suez Canal revenues and exports) declined to only USD (48.2) billion during FY 2008/2009; against USD (54) billion during previous year.

This led to increasing trade deficit to USD (25.5) billion, against USD (23.4) billion and the services balance surplus to USD (12.5) billion, against USD (15) billion. As a result of this, the balance of payments showed a deficit of USD (3.4) billion, against a surplus of USD (5.4) billion during the FY 2007/2008. It should be noted that the improved conditions led to realizing a surplus in the balance of payments amounting to USD (2.1) billion during the period July/ September 2009.

International reserves amounted to USD (34.1) billion at end of November 2009; a decrease of (0.9%) of its level during November 2008. Foreign Debts retreated by USD (2.4) billion during FY 2008/2009 to reach USD (31.5) billion at end of June 2009; consequently the foreign debts as a percentage of GDP declined from (20.1%) during June 2008 to (17%) during June 2009.

Total domestic debt rose to L.E. (761.6) billion at end of June 2009, against L.E. (666.8) billion during June 2008. On the contrary, the budget deficit as a percentage of GDP decreased to (73.3%) as against (74.5%) during 2008. The state budget deficit reached L.E. (71.9) billion; (6.9%) of GDP as against (7.5%) during FY 2007/2008.

Evaluation of the Bank's Performance over the year 2009

The efforts of the bank and the financial policies adopted during the FY 2009 have led to achieving a group of positive results notably the increase of the total balance sheet by L.E. (3855) million and a total revenue of L.E. (1831.4) million. These revenues led the Bank to distribute returns to the saving pools' holders at an annual average rate of (4.99%) for the General Investment Accounts and the Two years Investment Accounts held in local currency, (7.64%) for the three years saving certificates, (9.30%) for "Nam'a" saving certificates, (1.20%) for Investment Accounts in EURO currency and (0.40%) for Investment Accounts in other foreign currencies. This, in addition to meeting the various contingency provisions to tackle investment risks and current expenses (General and Managerial expenses, Depreciation, Zakat due on the Bank's funds).

Following fulfillment of mentioned obligations, a surplus of L.E. (123.8) million is maintained as Net Profit; of which L.E. (0.5) million is credited to the Capital Reserve Account (representing value of sale proceeds of some of the bank's fixed assets subject to the law); thus resulting in Net Distributable Profit of L.E. (123.3) million.

It is worth mentioning that the financial statements of the bank as at end of the FY 2009 are prepared subject to the instructions of the Central Bank of Egypt dated 16 December 2008; amending the rules of preparing banks financial statements and basis of recognition and measurement, whereby the rules of the financial investments are applied as of the Financial year starting on or after the 1st of January 2008, with the exception of the affiliated and mutual interests companies. Other rules are applied as of the financial year starting on the 1st of January 2010.

1. Activity Results :

Net profits of the year amounted to L.E. (123.8) million. These profits are realized of the revenues and expenses elements.

The following is an analysis of the two elements :

1.1 Revenues :

Total revenues during the year under review amounted to L.E. (1831.4) million; resulting from different bank activities as stated herein-after :

- Earnings from Musharaka, Modaraba, Morabaha, Real-Estate Investment operations and others amounting to L.E. (1302.5) million.
- Earnings from various banking services, amounting to L.E. (74.4) million.
- Earnings from sale of financial investments and shares dividends amounting to the equivalent to L.E. (355.1) million.
- Re-valuation differences of financial investments, foreign currency operations and others amounting to the equivalent to L.E. (99.4) million.

1.2 Expenses :

1.2.1 Return on saving pools :

Total returns distributed to the saving pools' holders amounted to L.E. (1041) million.

1.2.2 Current expenses :

Total current expenses (General and Managerial Expenses, Depreciation and Zakat legitimately due on the Bank's Funds) amounted to L.E. (237.3) million.

1.2.3 Provisions :

Total segregated provisions of about L.E. (429.3) million have been directed to consolidate the Bank's financial position against any probable risks.

2. **Volume of Business and Main Activities** :

2.1 Volume of Business :

- Total balance sheet amounted to the equivalent to L.E. (27670.9) million as at end of December 2009 and Contra Accounts reached L.E. (203.9) million.
- Total volume of business (total balance sheet + contra accounts) amounted to the equivalent to L.E. (27874.8) million as at end of December 2009.

2.2 Saving Pools :

Total current & investment accounts and saving certificates rose by the equivalent to L.E. (3555.9) million during the year to reach L.E. (25456.2) million as at end of December 2009.

2.3 Finance & Investment Balances :

Finance and investment balances (after provisions) amounted to the equivalent to L.E. (24264) million as at December 2009, recording an increase of L.E. (2831) million. These balances stood for (87.7%) of total balance sheet.

The Bank is keen to finance various productive and services sectors in conformity with the objectives of the Socio-Economic plan of the state.

2.4 Bank Companies :

The Bank invests part of its funds to establish subsidiary companies that operate in accordance with the Islamic Sharia principles, or to participate in the capital of similar companies with others; in a manner covering all sectors of economic activity. The Bank also finances their activities by Islamic instruments.

These companies positively contribute to the Egyptian economy and provide thousands of job opportunities.

Total capitals of these companies amounted to L.E. (18631) million. Of which the Bank's share amounted to L.E. (2079) million, out of which an amount of L.E. (1562) million is paid-up as at end of the year under review.

3. Banking Criteria and Ratios :

The bank has a comfortable position as regards the acknowledged banking criteria. It also adheres to all instructions issued by the Central Bank of Egypt.

4. Personnel, Training and Branches :

4.1 Personnel and Training :

Improving and developing the Bank's performance is closely linked to the human element. Hence, due care and attention is given to personnel so as to improve their capabilities, increasing their expertise and providing them with continued training as being the effective factor in fulfilling the Bank's objectives and strategy.

In this context, Bank's personnel reached the number of (1699) as at end of 2009 against (1594) during previous year.

Tailored training programs are given internally and externally to enhance the personnel efficiency. Training activity during the period under review involved about (457) trainees for a number of (46) training programs covering all job levels.

4.2 Branches :

Number of Bank's operating branches reached (24) branches all over the country. Arrangements are being taken to open extra new branches during 2010.

5. Budget plan for the Financial Year 2010 :

The year 2010 budget has been prepared to reflect the Bank's targets and policies as well as the business plans for the said year. The budget estimates have been based on actual historical data of the Bank's activities and results, as well as the prevailing and expected circumstances that may affect the economic and banking climate. The draft budget plan deals with the following features :

5.1 Saving Pools :

An increase of approximately (14.3%) in this item over its value at the end of December 2009.

5.2 Finance and Investment Balances :

A growth of (13.6%) in this item over its value at the end of December 2009.

5.3 Activity Results :

An increase of (77.8%) in the activity revenues over the previous year.

Faisal Islamic Bank of Egypt

(S.A.E.)

FINANCIAL STATEMENTS

TOGETHER WITH AUDITORS' REPORT

FOR THE YEAR ENDING

December 31, 2009 (Moharram 14, 1431 H.)

Balance Sheet as at December 31, 2009 (Moharram 14, 1431 H)

(Amounts in L.E. thousands)

Assets	Note	December 31, 2009	December 31, 2008
Cash and balances with the Central Bank of Egypt	(4)	2624379	1618678
Balances with banks	(5)	55279	73930
Financial investments for trading purpose	(6)	347811	294421
Financial investments available for sale	(7)	3015488	2696254
Musharaka, Modaraba, Commercial and Productive Morabaha, and Real estate Investments (Net)	(8)	17842648	15719362
Financial investments held to maturity date	(10)	2597851	2290584
Financial investments in Subsidiaries & mutual interests companies	(11)	468183	432373
Debit balances and other assets	(13)	265586	237288
Fixed assets (after depreciation)	(14)	461723	453045
Total Assets		27670948	23815935
Liabilities and Shareholders Equity			
Due to banks	(15)	103649	114327
Saving pools	(16)	18652610	15765547
Saving certificates		6803585	6134744
Credit balances and other liabilities	(17)	513221	348744
Other provisions	(18)	23526	1614
Total Liabilities		26096591	22364976
Shareholders' Equity			
Paid up capital	(19 B)	1059355	1059355
Reserves	(19 C)	136140	126494
Retained Profits		71000	71000
Fair value reserve / Financial investments available for sale	(19 D)	184073	108871
Total Shareholders' Equity		1450568	1365720
Net Profit of The Year ^(*)		123789	85239
Total Shareholders' Equity & Net profit of the year		1574357	1450959
Total Liabilities & Shareholders' Equity		27670948	23815935
<u>Contingent Liabilities and commitments</u>			
Commitments for letters of guarantee, letters of credit & others	(20)	203853	244722

Auditors
Dr. Hazem
Ahmed Yasseen

Emad
Hafez Ragheb

Governor
Abdel Hamid
Aboumoussa

**Chairman
of the Board of Directors**
Mohamed
Al-Faisal Al-Saud

(*) The accompanying notes (1 to 31) are an integral part of these statements.

(**) Auditors' report attached.

Dr. Hazem Ahmed Yasseen

Egyptian Accountants

Emad Hafez Moustafa Ragheb

Allied for Accounting and Auditing – E&Y

Auditors' Report

To : The Shareholders of Faisal Islamic Bank of Egypt (S.A.E.)

We have audited the financial statements of Faisal Islamic Bank of Egypt (S.A.E.) represented in the balance sheet as of December 31, 2009, and the related statements of income, changes in shareholders equity and cash flows for the year then ended, in addition to summary of major accounting policies and other notes.

Responsibility of the Management :

These financial statements are the responsibility of the bank's management who is entitled to prepare and illustrate the financial statements in a fair and clear manner in accordance with the rules of preparing and reporting financial statements of the banks issued by the Central Bank of Egypt on 27 June 2002 and its amendments including those related to the financial investments dated 16 December 2008 and subject to the Egyptian laws in force. The management's responsibility includes designing and conducting internal control for preparing and illustrating financial statements in a fair and clear way void of any deviations whether in deceit or error. This responsibility also includes choice of proper accounting policies.

Responsibility of the Auditor :

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on Auditing and applicable Egyptian Laws and regulations. The Egyptian Standards on Auditing require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We obtained all information and explanations, which we considered necessary for the purpose of our audit. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

Opinion :

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Faisal Islamic Bank of Egypt (S.A.E.), as of December 31, 2009, and the results of its operations and cash flows for the year then ended, in conformity with The CBE Accounting Standards dated 27 June 2002 and its amendments including those related to financial investments dated 16 December 2008 and subject to the related applicable Egyptian laws and regulations.

Report on other legal and regulatory requirements :

The bank maintains proper accounting records, which include all that is required by Law and the statutes of the bank, and the accompanying financial statements agree with the bank 's records. According

to the information and explanations given to us, there are no contravention of Law 88 of 2003, or the bank's statutes.

The financial information included in the Board of Directors' report and schedules prepared in accordance with Law 159 of 1981 and its executive regulations are in agreement with the bank's accounting records in so far as such information is recorded therein.

Cairo: 10 February 2010

Auditors

Dr. Hazem Ahmed Yasseen

**M.E.S.A.A., M.E.S.T
A.A.R. (4186)
Capital Market Authority
Reg. (48)
Egyptian Accountants
12, Abu El-Maaly Street, Agouza**

Emad Hafez Ragheb

**M.E.S.A.B.
M.C.S.T
A.A.R. (3678)
Capital Market Authority
Reg. (42)
Allied for Accounting & Auditing E&Y
73, El-Ahrar Street,
Mobica Tower, Mohandeseen**

Report of the Bank's Religious Supervisory Board

For the financial year ending 31st December, 2009
(Moharram 14, 1431 H.)

In the name of Allah the compassionate and the Merciful. Praise to Allah for his manifold blessings. Prayers and peace be on the Prophet, the messenger of Allah our sire Mohamed the last of all prophets and messengers.

The Religious Supervisory Board of Faisal Islamic Bank of Egypt convened on Tuesday 2 Rabiul Awal 1431 H. corresponding to 16 February, 2010, at the bank's head office premises - Cairo.

The Board discussed with the Bank's representative the contents of the Balance Sheet, the financial statements and the statement of income as shown in detail in the minutes of the meeting.

It has been observed that Faisal Islamic Bank of Egypt conducts all its Investment and Banking activities in accordance with the rulings and provisions of Islamic Sharia. The Board has delegated its chairman to prepare the final report to be submitted to the General Assembly and authorized him to sign it.

The mentioned minutes of meeting confirm the following :

1. The bank, despite the state of instability prevailing the banking and financial market, was very attentive to conducting all activities and services in conformity with the Islamic Sharia.
2. The Bank also adheres to the rulings and provisions of Islamic Sharia as regards the dues of Zakat and the related Zakat Fund.

For This:

The Board is of the opinion that the operations carried out by the bank during the year under review fall within the framework of the provisions of the Islamic Sharia and are based on the Fatwas and rulings issued by the Board.

Our last prayers are in gratitude to Allah, the God of the whole universe.

Chairman of the Religious Supervisory Board
His Eminence Dr. Nasr Farid Wassel
Former Mufti of the Arab Republic of Egypt,
And Member of the Islamic Research Academy of Azhar
And Member of the Jurisprudents of the Islamic World League-Mecca Al-Mokarama

2, Rabiul Awal 1431 H
16, February 2010

Bank Companies

The Bank invests part of its funds to establish companies by participating in their capital with others of distinguished expertise; in a manner covering all sectors of economic activity.

These companies positively contribute to the economic development of the country and provide thousands of job opportunities for the citizens as well as securing their basic needs.

Most of these companies have a leading role in many fields such as pharmaceuticals, integrated medical care, industrial and animal production and others. The production of these companies covers a major portion of the local market needs as well as exports abroad.

The number of the companies established and participated in by the bank amounts to (69) companies, (48 of which are available for sale and the remaining are subsidiaries and mutual interests companies) with total share capital amounting to (L.E. 5.314) billion, USD (1.856) billion, Sudanese Dinar (180.247) million, UAE Dirham (50) million and Bahrain Dinar (180) million standing for the equivalent to L.E. (18.631) billion as per the declared exchange rate as at 31/12/2009, with bank's participation of L.E. (2.079) billion of which an amount of L.E. (1.562) million is paid up. The following is a sectoral grouping of these companies :

(L.E. Thousands)

Sector	No. of Companies	Issued Capital					Bank Participation L.E.	Paid up from Bank participation L.E.
		L.E.	Bahrain Dinar	USD	Sudanese Dinar	UAE Dirham		
Agro-animal.	2	95000	---	---	---	---	66580	62320
Industrial.	19	1200745	---	297489	---	---	442450	359061
Pharmaceuticals.	4	142000	---	---	---	---	28461	26043
Investments.	4	5000	---	235235	---	---	163440	15334
Foreign Trade.	3	25252	---	10000	---	---	21710	3293
Housing.	5	2197400	180000	88574	---	---	436019	363440
Banks and Financial Institutions.	17	1270980	---	1223561	180247	50000	891691	705400
Information Technology.	6	202598	---	---	---	---	20311	19625
Others.	9	235511	---	1000	---	---	8340	7819
Total	69	5314486	180000	1855859	180247	50000	2079002	1562335

Bank's participation

List of Companies in which the Bank Participates

As at 31/12/2009

(All amounts are in L.E. Thousand)

Affiliated Company and Sector	Issued capital	Currency	Bank Participation	Paid up from Bank Participation	Year of Starting Production
• Agro Animal Production					
1- Animal Production Islamic Co.	5000	L.E.	4261	1	1986
2- Ismailia National Co. for Food Industries (FOODICO).	90000	L.E.	62319	62319	1987
Total	95000	L.E.	66580	62320	
• Industrial Production					
1- Modern National Company for Wood Industry.	27000	L.E.	12000	5082	1994
2- Islamic Company for Feeding Industries (FEEDICO).	10000	L.E.	7842	---	1987
3- Islamic Detergent Co.	12000	L.E.	3480	1	1988
4- Islamic Co. for Production of Flooring Materials.	10000	L.E.	2020	2020	1989
5- Standard Shoes.	10000	USD	22657	1	2003
6- Islamic Co. for Packing Materials (ICOPACK).	40000	L.E.	8044	8044	1990
7- Giza Paint & Chemical Industries.	30000	L.E.	14571	3616	1987
8- Egypt Co. for Packing Materials (EGR).	40000	L.E.	14550	14550	2000
9- Horizon for Investment and Industrial Development.	88000	L.E.	60786	41786	2000
10- Aswan for development & Mining.	544000	L.E.	5690	5690	under liquidation
11- Egyptian Co. for Industrialization (Selital - Pacific).	69730	L.E.	1665	1	1986
12- Midor for Electricity (MIDALIC).	137489	USD	98044	98044	2001
13- SUGAS Company.	15466	L.E.	1200	1200	2003
14- Multi Gas Company.	13450	L.E.	978	760	2002
15- Goldentx Company for wool.	129849	L.E.	1797	1797	1984
16- Cairo Carton Industry (Copack).	125000	L.E.	31340	31340	2005
17- United for Industry & Mangement.	11250	L.E.	10658	1	1999
18- Helwan Fertilizers Co.	150000	USD	139878	139878	2007
19- International Co. for Mouldings & Modern Industries.	35000	L.E.	5250	5575	2007
Total	1200745	L.E.	442450	359061	
	297489	USD			

(All amounts are in L.E. Thousand)

Affiliated Company and Sector	Issued capital	Currency	Bank Participation	Paid up from Bank Participation	Year of Starting Production
• <u>Pharmaceutical and Medical Care</u>					
1- Cairo Medical Center	20000	L.E.	2137	2137	1981
2- Misr International Hospital	60000	L.E.	18587	18587	1983
3- Al-Mona Co. for Child Care	42000	L.E.	4000	2000	2004
4- Ebn Sina Laporex	20000	L.E.	3737	3319	2002
Total	142000	L.E.	28461	26043	
• <u>Investments</u>					
1- Islamic Investment & Development Co.	5000	L.E.	2273	2273	1983
2- Islamic Development Co. Sudan.	35235	USD	13061	13061	1985
3- Holding Co. for Investments.	100000	USD	93252	---	under establishment
4. Misr Investment Co.	100000	USD	54854		under establishment
Total	5000	L.E.	163440	15334	
	235235	USD			
• <u>Domestic & Foreign Trade</u>					
1- Islamic Foreign Trade Co.	20000	L.E.	15760	1	1983
2- Al Alamia Import & Export Co.	5252	L.E.	2659	1	1990
3- Islamic Trading Co. (Bahrain).	10000	USD	3291	3291	1991
Total	25252	L.E.	21710	3293	
	10000	USD			
• <u>Housing & Construction</u>					
1- Arab Co. for Tourism Investments.	2100000	L.E.	39883	39883	2005
2- Al-Asher for Development & Real Estate Investments.	77400	L.E.	8515	7836	1999
3- The Arab Fund for Direct Real Estate Investment.	20000	L.E.	2100	2100	2000
4- Al-Khelood Company for Real Estate and Tourism Development.	88574	USD	337974	266000	under establishment
5- Naseej Co. Bahrain.	180000	Bahrain Dinar	47621	47621	2009
Total	2197400	L.E.	436019	363440	
	88574	USD			
	180000	Bahrain Dinar			

(All amounts are in L.E. Thousand)

Affiliated Company and Sector	Issued capital	Currency	Bank Participation	Paid up from Bank Participation	Year of Starting Production
• Banks & Financial Institutions					
1- Faisal Islamic Bank of Sudan	110000	S. Dinar	104668	104668	1987
2- Dar Al-Maal Al-Islami	395561	USD	175561	175561	1981
3- Sudanese Islamic Bank	30774	S. Dinar	1594	1594	1983
4- Sudan Export Development Bank	39473	S. Dinar	410	---	1984
5- Faisal Bank Exchange Co.	5000	L.E.	4350	4350	1993
6- International Co. for Leasing (Incolease)	150000	L.E.	59835	59835	1997
7- Egyptian Saudi Insurance House	60000	L.E.	8181	8181	2003
8- Takafol Life Insurance Co.	100000	L.E.	25663	9163	2008
9- Takafol General Insurance Co.	100000	L.E.	25663	9163	2008
10- Solidarity Family Insurance Co.	60000	L.E.	14400	---	Under establishment
11- Egyptian Co. for Real Estate Re-insurance.	235980	L.E.	2000	2000	2007
12- Salama Takafol Insurance Co.	60000	L.E.	5970	---	Under establishment
13- Syrian Islamic Bank.	130000	USD	71310	---	Under establishment
14- Global Leasing Co.	500000	L.E.	50000	---	Under establishment
15- First Leasing Bank (Bahrain)	100000	USD	28798	28798	2004
16- International Co. for Leasing - U.A.E.	50000	UAE Dirham	11201	---	Under establishment
17- Ithmar Bank – Bahrain.	598000	USD	302087	302087	1984
	1270980	L.E.	891691	705400	
	1223561	USD			
Total	180247	S. Dinar			
	50000	UAE Dirham			
• Information Technology :					
1- Misr Banks Co. for Technological Development.	14550	L.E.	799	799	1997
2- Integrated Banking Solutions Co.	17000	L.E.	638	638	2009
3- Al-Ahly Co. For Computers	3000	L.E.	300	300	1998
4- International Co. For Information Technology	9285	L.E.	1393	707	2005
5- Technology Development Fund Co.	130000	L.E.	15000	15000	2005
6- Mediterranean Smart Cards Co.	28763	L.E.	2181	2181	2003
Total	202598	L.E.	20311	19625	
• Other Sectors					
1- The Arab Co. For Disinfection Activities (ARADIS).	500	L.E.	209	209	1984
2- Istishara Consulting Trust.	1000	USD	219	1	1984
3- Educational Projects Co.	6000	L.E.	460	460	1988
4- Al-Salam Investment Co.	5011	L.E.	304	1	1983
5- International Center for Management & Valuation.	1000	L.E.	128	128	2003
6- Educational Needs.	8000	L.E.	264	264	2008
7- Al Masria for Credit Info (Istaalam).	45000	L.E.	1611	1611	2008
8- Misr for Clearing, Registration and Central depository.	140000	L.E.	1145	1145	1996
9- Egyptian Co. for the construction & Management of Commercial Centers.	30000	L.E.	4000	4000	2008

Total	235511	L.E.	8340	7819
	1000	USD		

Faisal Islamic Bank of Egypt

Standard Settlement Instructions (SSI)

CUR	Bank Name	Account Number	IBAN	SWIFT BIC COODE
USD	The Bank of New York Mellon, N.Y.	8033388676	---	IRVTUS3N
	Deutsche Bank Trust Co. Americas, N.Y.	04039607	---	BKTRUS33
EUR	Commerzbank A.G., Frankfurt.	400887909001	---	COBADEFF
	Credit Agricole, Paris.	20534132000	FR 7630006000012053413200014	AGRIFRPP
	Intesa San Paolo Spa., Milano.	03500 / 009848580105	IT 3150306912711009848580105	BCITITMM
CHF	Commerzbank A.G., Frankfurt.	4008879090 00 CHF	---	COBADEFF
JPY	Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo.	6530421790	---	BOTKJPJT
GBP	British Arab Commercial Bank Ltd., London.	0000101240	GB 29 BACM 40513200101240	BACMGB2L
SEK	Nordea Bank AB (Publ), Stockholm.	39527902126	---	NBBKSESS
SAR	Riyad Bank, Riyadh.	9250 30 784 9940	SA 89000000250307849940	RIBLSARI

**The Zakat Fund of
Faisal Islamic Bank of Egypt
(S.A.E.)**

Financial Statements

Together With Auditors' Report

For The Year Ending December 31, 2009

(Moharram 14, 1431H.)

Zakat Fund

The activity of the Zakat Fund in the field of social solidarity since the Bank's inception, is considered one of the main features that distinguishes the bank from any other similar institutions. This is because linking between the socio-economic activities has always positive and effective impacts on the realization of the development efforts in the society.

Total Zakat Fund resources during the year under review amounted to L.E. (11.4) million, this is in addition to an amount of L.E. (1.9) million representing the balance at the beginning of the year, as against only L.E. (387) thousand in 1401 H. In this concern, cumulative resources of the fund as at end of 2009 amounted to L.E. (159.2) million; of which L.E. (36.4) million represents Zakat legitimately due on the Bank's funds, and the remaining balance represents Zakat from investment accounts' holders, individuals, grants, donations, returns on charity investment accounts, revenues of the vocational training center and others.

These resources have been directed to the beneficiaries of individuals, families, care donations for students in cash and in kind, construction of students housing at university cities in some governorates and Islamic Beouth city (Islamic Missions City).

Disbursements also included the rehabilitation of mosques, charity societies and supplying governmental hospitals and medical dispensaries at public quarters in all governorates with medical equipments, in addition to Holy Koran competitions and the orphanage. Total actual disbursements during the year under review amounted to L.E. (11842) thousand distributed as follows :

Aspects of Spending	Amount in L.E. Thousands
Individuals	9037
Students	344
Mosques and Tuition schools.	174
Holy Koran Competitions.	198
Charity Societies & Institutions.	894
Vocational Training Center Expenses.	28
General & Managerial Expenses.	1122
Assets necessary for operation.	37
Balances under settlement.	8
Total	11842

Owing to the high confidence in the Zakat Fund of the Bank, benevolent and bountiful persons have deposited funds in blocked charity accounts amounting to about L.E. (75) million as at end of 2009. Returns on these accounts are disbursed in the Zakat legitimate channels and other charity purposes.

It is also worth mentioning that the fund has established an Orphanage at Al-Moqatam Zone on an area of 2200 Square Meter, to host a number of 160 child. The orphanage has an independent entity with a separate account No. (262500 – Cairo branch).

**THE ZAKAT FUND OF
FAISAL ISLAMIC BANK OF EGYPT
(S.A.E.)**

BALANCE SHEET

As at December 31, 2009 (Moharram 14, 1431 H.)

Assets	Note	L.E.	
		December 31, 2009	December 31, 2008
Cash & Balances in the Bank.		1480861	1921898
Fixed Assets (After Depreciation).		5321605	5449494
Charity Investment Accounts.	(1)	75151488	67802477
Students Charity Housing.	(2)	2103810	2103810
Total		84057764	77277679
Liabilities			
Due to Zakat Beneficiaries.	(3)	6802466	7371392
<u>Operating liabilities :</u>			
Counter part of Charity Investment Accounts.		75151488	67802477
Counter part of Students Charity Housing.		2103810	2103810
Total		84057764	77277679

**THE ZAKAT FUND OF
FAISAL ISLAMIC BANK OF EGYPT
(S.A.E.)**

Revenue And Expenditure Account

For the year ending December 31, 2009

(Moharram 14, 1431 H.)

	L.E.	
	December 31, 2009	December 31, 2008
Revenues		
Opening Balance	1921898	4475969
Zakat Collected		
Zakat Legitimately due on the Shareholders' Equity	1772555	---
Zakat Provided by Owners of Investment Accounts	7031960	5822325
Zakat Provided by Individuals	655899	490402
Gifts and Donations.	---	737524
Returns of Charity Investment Accounts (Current Almsgiving)	1650025	2297440
Yield of the investment account of the fund	6246	114668
Other revenues	184468	297128
Revenue for a charity investment account	100000	---
Total	13323051	14235456
Expenditure :		
Individuals	9036824	7828998
Students	343989	331535
Mosques and Tution Schools	173803	54336
Medical Institutions and Registered Charity Societies	894457	2291613
Holy Kor'an Competition.	198134	264915
Expenses of the Vocational Training Center	28107	2134245
General & Managerial Expenses	1122385	1328916
Assets necessary for Fund operation.	36491	---
Balances under settlement.	8000	---
Surplus	1480861	1921898
Total	13323051	14235456

Supplementary Notes to The Financial Statements

For The Year Ending December 31, 2009

1. Charity Investment Accounts (Almsgiving) amounted to L.E. (75151488) with returns disbursed in the legitimate channels and charity purposes.
2. Students charity housing amounting L.E. (2103810) is represented in the buildings and furnishings at the governorates of (Cairo, Assiut, Menoufia, Sohag and Mansoura). These housings have been handled over to the universities at these governorates for administration.
3. The rights of Zakat Beneficiaries amounting to L.E. (6802466) are represented in the cash balances, the land and buildings of the Zakat Fund at Zaytoun-Cairo, the Vocational Training Center, Vehicles and furniture, which are all necessary for the Fund to conduct its activities, and the land and buildings of the Orphanage at Mokattam.
4. For the purpose of preparing the Balance sheet, balances in foreign currencies have been translated into Egyptian Pound on the basis of the exchange rates declared by the Central Bank of Egypt within the free market at date of balance sheet.

Dr. Hazem Ahmed Yasseen
Egyptian Accountants

Emad Hafez Ragheb
Allied for Accounting – E & Y

AUDITORS' REPORT to the Shareholders of **Faisal Islamic Bank of Egypt (S.A.E.)**

We have audited the financial statements of the Zakat Fund of Faisal Islamic Bank of Egypt (S.A.E.) represented in the balance sheet as of December 31, 2009, and the Revenue and Expenditure Account for the year then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on Auditing and applicable Egyptian Laws and regulations. The Egyptian Standards on Auditing require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We have obtained all information and explanations, which we considered necessary for the purpose of our audit. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

The Fund keeps proper accounts containing all that is required by Article (59) of the Bank's Articles of Association as well as by the General By-Laws of the Zakat Fund. Both the Balance Sheet and the Revenue and Expenditure Account have been found in conformity with what is recorded in those accounts. The financial data included in the Report of the Fund's Board are in agreement with the Fund's books and records, to the extent that such data is required to be recorded in the financial books.

In our opinion, the financial statements referred to above and the related notes present fairly, in all material aspects, the financial position of the Zakat Fund of Faisal Islamic Bank of Egypt (S.A.E.) as of December 31, 2009, and that the Revenue and Expenditure Account presents fairly the Fund's activity results for the year then ended.

Cairo, February 7, 2010

Auditors

Dr. Hazem Ahmed Yasseen
M.E.S.A.A., M.E.S.T
A.A.R. (4186)
Capital Market Authority
Reg. (48)

Emad Hafez Ragheb
M.E.S.A.A.
M.E.S.T.
A.A.R. (3678)
Capital Market Authority
Reg. (42)
Allied for Accounting E & Y

Head Office and Branches

Head Office and Cairo Branch

3, 26 July Street, Cairo Egypt

Tel: 27868939 - 27868723 - 27868724 Fax: 27866744

P.O. Box 2446 & 283 Cairo, Post code 11511.

SWIFT CODE : FIEG EG CX CAI

E-mail: cairo@faisalbank.com.eg

Web site: www.faisalbank.com.eg

(1)

Giza Branch

149 Tahrir Street, Galaa Sq., Dokki

Tel.: 37621285 - 37621286 - 37621287
37621288 - 37621289 - Fax: 37621281

Telex 93878 -20952 F. Bank UN P.O.Box:
283 Cairo - Post Code: 12311

Cables: Faisal Bank Cairo.

SWIFT CODE: FIEG EG CX MAI

E-mail: giza@faisalbank.com.eg.

(9)

Alexandria Branch

7 Victor Bassily Street, Al Azaretta,

Alexandria / Egypt

Post Code 21131

P.O.Box : 1215

Tel.: 4878618 / 4875490 / 4856341

Fax: 4861653

SWIFT CODE : FIEG EG CX ALX

E-mail: alex@faisalbank.com.eg.

(17)

Banha Branch

El - Bahr Street, Banha

Qalyoubeya / Egypt

Post Code: 13511

Tel.: 3263489 / 3267249 / 3257861

Fax: 3254702

SWIFT CODE : FIEG EG CX BNH

E-mail: banha@faisalbank.com.eg.

(2)

Ghamra Branch

14 A-El Sabe St. El-Zaher,

Cairo, Egypt - Post Code: 11271

P.O.Box: 8

Tel.: 25904794 / 25904756

Fax : 25904828

SWIFT CODE: FIEG EG CX GHM

E-mail: ghamra@faisalbank.com.eg.

(10)

Mostafa Kamel Branch – Alex.

392, 394 Al-Ashraf Tower - Horriya,

Ahmed Shawky Road – Mostafa Kamel

Alexandria

Tel.: 5426848 / 5466039 / 5466074

Fax.: 5466075

SWIFT CODE : FIEG EG CX AX2

(18)

Zagazig Branch

Al Montazah (AQADEEN BUILDING)

, Zagazig / Egypt

Post Code: 435

Tel.: 2314630 - 2308507 - 2308506

Fax: 2314628

SWIFT CODE : FIEG EG CX ZAG

E-mail: zagazig@faisalbank.com.eg.

(3)

Al-Azher Branch

106 Gowher El-Kaed St.

Al-Azhar square

Cairo, Egypt - Post Code: 11111

Tel.: 25911280 / 25934263

Fax : 25932505

P.O.Box: 20

SWIFT CODE : FIEG EG CX AZH

E-mail: azhar@faisalbank.com.eg.

(11)

Damanhour Branch

Sheikh Mohamed Abd- El – Kerim

Street, Damanhour, Baheira / Egypt

Post Code: 22111

Tel.: 3311888 / 3310099 / 3311199

Fax: 3314000

SWIFT CODE : FIEG EG CX DMN

E-mail: damanhour@faisalbank.com.eg

(19)

Sohag Branch

Baga Street, Tatbekeyeen Building

Sohag / Egypt

Post Code: 82111

Tel.: 2324792 / 2324721

Fax: 2324795

SWIFT CODE : FIEG EG CX SOH

E-mail: sohag@faisalbank.com.eg.

(4)

Heliopolis Branch

4 Al-Athary Mohamed Nafei St.,

(12)

Tanta Branch

2 Mohamed Said Pasha Street, Galaa
Street Corner, Gomhoria Square, Tanta,

(20)

Assiut Branch

Extension of Youssry Ragheb St.,

Faisal Islamic Bank of Egypt (S.A.E.)

(behind Cairo Specialized Hospital)
Roxy, Heliopolis, Cairo / Egypt
Post Code: 11341
Tel.: 22565485 / 22565486 / 2256587
Fax: 22565488 - P.O.Box: 5962
SWIFT CODE : FIEG EG CX HEL
E-mail: helio@faisalbank.com.eg.

Gharbeya / Egypt
Post Code 31111
Tel.: 3287983 / 3287985 / 3287982
Fax: 3287986
SWIFT CODE : FIEG EG CX TAN
E-mail: tanta@faisalbank.com.eg.

Assiut, Egypt - Post Code 71511
Tel.: 2343312 / 2343313
Fax: 2333739
P.O.Box: 112
Post Code: 71511
SWIFT CODE: FIEG EG CX ASU
E-mail: assiut@faisalbank.com.eg.

(5)

Dokki Branch

9, Adil Hussein Rostom Str.,
"Ex: Al-Sarraya" Dokki, Giza / Egypt
P.O.Box: 57
Post Code 12411
Tel.: 37605733 / 37629516 / 33376956-7
Fax: 33465823
SWIFT CODE : FIEG EG CX DOK
E-mail: dokki@faisalbank.com.eg.

(6)

Alexandria Branch

7 Victor Bassily Street, Al Azaretta,
Alexandria / Egypt
Post Code 21131
P.O.Box : 1215
Tel.: 4878618 / 4875490 / 4856341
Fax: 4861653
SWIFT CODE : FIEG EG CX ALX
E-mail: alex@faisalbank.com.eg.

(7)

Nasr City Branch

15 B, Ahmed Kassem Gouda Str.
First Zone - Off Abas El-Akaad
Post Code : 8202
Tel.: 24029548 / 24023946 / 24029472
Fax.: 24023596
SWIFT CODE: FIEG EG CX NSR

(8)

Zezenia Branch

New Cairo – Zezenia Zone
First Zone - Off Abas El-Akaad
Tel.: 29200949

(13)

Al Mahalla Al Kobra Branch

Al Guish Street, Al Awkaf Building
Al Mahalla Al Kobra,
Gharbeya, Egypt
Post Code: 31911
Tel.: 2239274 / 2231708 / 2237708
Fax: 2246817
SWIFT CODE : FIEG EG CX MHL
E-mail: mehalla@faisalbank.com.eg.

(14)

A-Mansoura Branch

Talaat Harb Str., Torel, Al-Mansoura
Dakahleya / Egypt - P.O. Box: 35111
Post Code : 35111
Tel: 2319965 / 2318792
Fax: 2315635
SWIFT CODE: FIEG EG CX MNS
E-mail: mansoura@faisalbank.com.eg.

(15)

Damietta Branch

New Damietta City, Central Zone
Main Street
Post Code : 34517
Tel.: 2410200 / 2410201 / 2410202
Fax: 2410203
SWIFT CODE: FIEG EG CX DOM

(16)

Aswan Branch

Al-Awkaf Building
Abu Semple Street, Aswan
Tel.: 2335061 – 2 – 3 - 4
Fax.: 2335058
SWIFT CODE: FIEG EG CX ASW

(21)

Suez Branch

3 Galaa Street
Suez / Egypt
P.O.Box: 79
Post Code 43111
Tel.: 3334345 / 3333902
Fax: 3334346
SWIFT CODE : FIEG EG CX SUE
E-mail: suez@faisalbank.com.eg.

(22)

Sayeda Zeinab Branch

38, Abdel Mageed Al-Laban Str.
Sayeda Zeinab – Cairo
Post Code : 11521
Tel.: 25323568 / 25328458
Fax: 25322682
SWIFT CODE: FIEG EG CX ZNB

(23)

6th of October Branch

38, 39 Central Cross Road,
6th of October City
Post Code 12596
P.O.Box : 28
Tel.: 38308716 / 38308717 / 38308720
Fax: 38308721
SWIFT CODE : FIEG EG CX OCT

(24)

Al-Obour City Branch

Al-Obour City – Golf City
Ac-Mailan Club, Units 8-9
Tel.: 49210890 / 49210891 /
49210892/3

Branches under Establishment :

Al-Haram – Maadi – Shobra – Desouk (Kafr El-Sheikh) –

Arish – Fayoum – Menia

Statement of Income

For the year ending December 31, 2009 (Moharram 14, 1431H.)

(Amounts in L.E. thousands)

<i>Note</i>	December 31, 2009	December 31, 2008
Income from Musharaka, Modaraba, Commercial and Productive Morabaha, Real estate Investments and others.	1302543	1387892
Less:		
Return on saving pools.	(1040930)	(998276)
Net income	261613	389616
Commissions and banking services fees.	74397	92153
Shares and Investment Certificates dividends.	318355	240640
Profits / Loss of foreign currency operations.	(21) 8330	53222
Profits of financial investments sales.	36721	102174
Valuation differences of financial investments for trading purpose.	(9980)	(77493)
Revenues of other operations.	(22) 127761	113786
Net Operating Revenue	817197	914098
Less:		
Provisions	(9) (429305)	(584761)
Valuation differences of other financial investments.	(23) (26764)	(29966)
Zakat due	(6494)	(1773)
General and Managerial expenses and depreciation.	(230845)	(272291)
Net profit of the year (*)	123789	85239
Dividend per share from net profit	(24) L.E. 1.646	L.E. 1.103

Governor

Abdel Hamid Aboumoussa

Chairman
Of the Board of Directors

Mohamed Al-Faisal Al Saud

(*) The accompanying notes (1 to 31) are an integral part of these statements.

Change in Shareholders' Equity
For the Fiscal Year Ending December 31, 2009
(Moharram 14, 1431H.).

L.E. Thousand)

Statement	Capital	<u>Reserves</u>	Capital Reserve	Retained Profits	Fair value Reserve / financial investments available for sale	Special Reserve	Net Profits Of the year	Total
- Balance as at 1/1/2008.	528103	21857	---	71000	129586	49726	---	800272
- Paid to capital increase.	531252	---	---	---	---	---	---	531252
- Capital increase premium.	---	104637	---	---	---	---	---	104637
- Valuation differences of financial investments available for sale.	---	---	---	---	---	(24971)	---	(24971)
- Fair value reserve / financial investments available for sale.	---	---	---	---	(45470)	---	---	(45470)
- Net profits of the year.	---	---	---	---	---	---	85239	85239
- Balance as at 31/12/2008.	1059355	126494	---	71000	84116	24755	85239	1450959
- Balance as at 1/1/2009.	1059355	126494	---	71000	84116	24755	85239	1450959
- Transferred to fair value reserve.	---	---	---	---	24755	(24755)	---	---
- Transferred to reserves.	---	8399	1247	---	---	---	(9649)	---
- Profit distributions.	---	---	---	---	---	---	(75593)	(75593)
- Fair value reserve / Financial investments available for sale.	---	---	---	---	75202	---	---	75202
- Net profits of the year.	---	---	---	---	---	---	123789	123789
- Balance as at 31/12/2009.	1059355	134893	1247	71000	184073	---	123789	1574357

Statement of Cash Flows

For the year ending December 31, 2009 (Moharram 14, 1431 H.)

(Amounts in L.E. thousands)

	December 31, 2009	December 31, 2008
<u>Cash flows from operating activities</u>		
Net profit of the year.	123789	85239
<u>Adjustments to settle net income with cash flows from operating activities:</u>		
Depreciation.	15423	14046
Provisions.	429305	584761
Valuation differences of financial investments for trading purpose.	9980	77493
Valuation differences of other financial investments.	26764	(29966)
Used of provisions other than loans provision.	---	(70606)
Released provisions.	(123914)	(112398)
Loss of excluding fixed assets.	64	---
Re-valuation difference of provisions balances in foreign currency other than loans provision.	(5)	---
Profits of financial investments sales.	(36721)	(102174)
Net Decrease (Increase) in assets		
Financial investments for trading purpose.	(63370)	871327
Financial investments available for sale .	(253254)	(2177641)
Musharaka, Modaraba, commercial and productive Morabaha, and Real estate investments.	(2363908)	(262821)
Debit balances and other Assets.	(55097)	236996
Net Increase (Decrease) in liabilities		
Due to banks.	(10678)	(58269)
Saving pools.	2887063	1386105
Saving certificates.	668841	289868
Credit balances and other liabilities.	164477	(94142)
Subordinated loan.	---	(60000)
Net cash flows provided by operating activities	(1)	1418759
<u>Cash flows from investing activities</u>		
Purchase of financial investments held till maturity date.	(270546)	(569350)
Receipts from financial investments in subsidiaries & mutual interests companies.	(45352)	(264241)
Purchase of fixed assets and branches improvements.	(40218)	(35963)
Net cash flows (used in) investing activities	(2)	(356116)
Cash flows from financing activities		
Increase in the paid-up capital.	---	531252
Dividends paid.	(75593)	---
Capital increase premium.	---	104637
Net cash flows (used in) financing activities	(3)	(75593)
Net increase (decrease) in cash and cash equivalent during the year (1+2+3).	987050	344153
Cash & cash equivalent opening balance	1692608	1348455
Cash & cash equivalent closing balance	2679658	1692608
<u>Cash & cash equivalent represented in the following:</u>		
Cash and balances with the Central Bank of Egypt	2624379	1618678
Balances with banks	55279	73930
Total Cash & cash equivalent	2679658	1692608

Profit Appropriation Account

For the year ending December 31, 2009 (Moharram 14, 1431 H.)

(Amounts in L.E. thousands)

	December 31, 2009
Net Profit of the year (as per the statement of income).	123789
Profits of fixed assets sales transferred to the capital reserve subject to the law.	(460)
Net distributable profits. (*)	123329
Retained profits at the beginning of the year.	71000
Total	194329
<u>To be distributed as follows:</u>	
General reserve.	12333
Shareholders' distributions (**)	97681
Employees share	9815
Board of Directors and Religious Supervisory Board Remuneration	3500
Retained profits at year end.	71000
Total	194329

(*) To be distributed in accordance with Article 59 of the Bank's Statute. The distribution process is dependent upon the Central Bank of Egypt decision according to Article 84 of Law 88 of 2003 of the Central Bank of Egypt and the Banking and Monetary system.

(**) The dividend per share is US Dollars 0.3199 (L.E. 1.755) including Zakat, and US Dollars 0.30 (L.E. 1.646) after deducting Zakat (at an annual rate of 6%).

Supplementary Notes to the Financial Statements

as at December 31, 2009 (Moharram 14, 1431 H.)

1. Activity:

Faisal Islamic Bank of Egypt (Egyptian Joint Stock Company) was established as a commercial bank on Ramadan 13, 1397 (H), corresponding to August 27, 1977, as per Law 48 of the year 1977, amended by Law 142 of the year 1981 and its executive regulations. The bank performs all banking, commercial and investment activities, through its head office located at Cairo city and its 24 branches.

2. Main Accounting Policies:

2-1 Basis of Preparing Financial Statements :

The financial statements are prepared in accordance with the Financial Statements Preparation Standards, issued by the Central Bank of Egypt on 27 June 2002, and its amendments including those related to the financial investments issued on 16 December 2008 and subject to the Egyptian laws and regulations.

The financial investments available for sale that used to be valued at cost amended by foreign exchange rate differences or the fair value which ever is lower with the difference charged to the statement of income, has been changed as of 1/1/2008, to the fair value with differences recorded in the shareholders equity. This is shown in the item “change in shareholders equity” and the item “financial investments available for sale”.

2-2 Foreign Currency Transactions :

- Bank's accounts are maintained in Egyptian pounds. Transactions made in foreign currencies are recorded during the financial year on the basis of the declared exchange rates at time of execution. The balances of current assets and liabilities in foreign currencies are revalued at the end of the financial year on the basis of the declared exchange rates. The resulted difference is recorded in the statement of income as “foreign currency transactions profits (loss)”.

2-3 Revenue Recognition :

Revenue is recorded on accrual basis except for earnings from irregular payments of investment operations, which are not recorded as revenue, on consideration of their doubtful collection or the collection of the principal debt.

Revenues of shares and mutual funds are recorded upon announcement of their related dividends.

2-4 Financial Assets :

2-4-1 Financial Investments for Trading Purpose :

- This group includes financial assets for trading purpose and the assets that were valued at fair value at inception subject to profit and loss.
- The financial instrument is classified as being “for trading purpose” if acquired and its value charged mainly for the purpose of short-term selling. Or if being part of a specific financial portfolio with indications that it shall yield good profits on the short term. Derivatives are classified as being for trading purpose unless specified as being cover instruments.
- Financial assets are classified at inception as being at fair value subject to profit & loss.

They are valued at fair value subject to the investment policy or risk management with reports
raised to the High Management.

- Any financial derivative of the group of financial instruments valued at fair value subject to profit & loss can not be re-classified during its custody or validity period.
- In all cases, the bank never reclassifies any financial instrument and shift it to the group of financial instruments valued at fair value subject to profit & loss or to the group of financial assets for trading purpose.

2-4-2 Financial Investments Available for Sale :

Financial investments available for sale represent non-derivative financial assets kept for un-specified period. They may be sold for liquidity reasons or changes in the return or exchange rates or shares.

2-4-3 Financial Investments Held to Maturity Date :

Financial investments held to maturity date represent non-derivatives financial assets having fixed payment amount and maturity date with the Bank’s intention and capability to hold them till maturity date. The whole group is re-classified as available for sale whenever the Bank sells a substantial amount of the financial assets held to maturity date except for cases of necessity.

Non-derivative financial assets with fixed maturity dates and payments are classified as investments held to maturity dates.

This classification requires the use of personal judgement subject to the Bank’s intention and capability to hold these investments to maturity dates. In case the Bank fails in holding these investments to maturity dates, except for certain circumstances such as selling small amount prior to maturity date only then all investments held to maturity dates, are re-classified to investments available for sale. Consequently, these

investments shall be measured at fair value and not at used cost, together with suspending the classification of any investments in this item.

2-4-4 Investment in Subsidiary and Mutual Interests Companies :

The investments in subsidiary and mutual interests companies are valued at cost. In case of decline in the fair value compared to the book value for each investment, the book value is amended and the difference is charged to the statement of income in the valuation difference in other financial investments, and in case of increase in their value, it should be credited within the limit of what was charged to the statement of income in previous periods.

2-4-5 The following is adopted for Financial Assets :

Regular-way purchases and sales of financial assets are recognised on the trade date which is the date on which the Bank commits to purchase or sell the asset classified at fair value through profit or loss, and the financial investments held to maturity date as well as financial investments available for sale.

Financial assets that are not classified at fair value through profit and loss at inception, are initially recognised at fair value plus transaction costs, whereas financial assets that are classified at fair value through profit and loss at inception, are recognised at fair value only with transaction costs charged to the statement of income; Net Trading Income item.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership.

Profits and losses arising from changes in the fair value of financial assets classified at fair value through profit and loss are recognised directly in equity, until the financial asset is derecognised or impaired. At that time, the cumulative profit or loss previously recognised in equity.

Profits and losses of foreign currencies of monetary assets classified as available for sale are recognised in the statement of income. Profits distributions arising from equity instruments classified as available for sale whenever the Bank has the right to collect, are also recognised in the statement of income.

The fair value of quoted investments in active market is based on current Bid Price. If there is no active market for such financial asset, the Bank establishes fair values using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques used by other participants.

In case the Bank can not determine reliably the fair value of the equity instruments classified as available for sale, the value is measured at cost after deducting any impairment in the value.

The Bank reclassifies the financial asset within the group of financial instruments available for sale named as : Debts (securities); transferred from the financial instruments available for sale to financial assets held to maturity date whenever the Bank has the intention and capability to hold these financial assets during the near future or maturity date. Re-classification is carried out at fair value on date. Any profits or losses related to these assets are included to the equity as follows :

1. In case of re-classified financial asset with fixed maturity date, profits and losses are amortized over the remaining life of the investment held to maturity date using the effective return method. Any difference in value is amortized on basis of the used cost and maturity date value. In case of subsequent impairment, any profits or losses that are previously recognised directly in the equity, are re-recognised in the profits and losses.
2. In case of financial asset with no fixed maturity date, profits or losses are remained within equity until the asset is sold or disposed; only then they are recognised in the profits and losses.

In case of the financial asset impairment, profits or losses that are previously recognised directly in the equity; are re-recognised in the profits and losses.

2-5 Impairment of Financial Investments :

2-5-1 Financial Investments Held to Maturity Date :

The Bank decides, on date of every balance sheet, whether there is an objective evidence that any of the financial investments or the group itself has been impaired. Impairment losses are carried out following the loss event that affects the future cash flows of the financial investment.

The criteria used by the bank to assess the objective evidence of the impairment loss include :

- ✓ The financial obstacles facing the debtor.
- ✓ Expectations that the debtor may be bankrupted or entered into Liquidation Claim.

2-5-2 Financial Investments Available for Sale :

The Bank decides, on date of every balance sheet, whether there is an objective evidence that any of the financial investments classified as available for sale has been impaired.

In case of the investments in the equity instruments classified as available for sale, the huge or extended decline below the book value of

the fair value of the instrument, should be taken into consideration to assess whether there is impairment in the asset or not.

2-5-3 Impairment of Investments in Equity Instruments Available for Sale :

The Bank decides the impairment of investments in equity instruments available for sale whenever there is a huge or extended decline in their values over cost. This process requires personal judgment based on - among other factors – the usual volatility of the share price. In addition, there may be impairment whenever there is an evidence of a decline in the financial condition of the company invested in, or its cash operating or financing flows, or the general performance of the industrial sector or technological changes.

2-6 Valuation of Assets Transferred to The Bank in Settlement of Customers Debts :

The assets transferred to the bank are recorded in the balance sheet among “debit balances and other assets” at the values for which they were transferred to the bank. In case the fair value is less than or more than the cost at which they were transferred, at the date of the balance sheet, the difference is recorded in the statement of income, within the limits of what was charged to the statement of income in the previous financial periods.

2-7 Provision for Deployment and Contingent Liabilities :

- Provisions for deployment and contingent liabilities are provided according to the issued instructions of the Central Bank of Egypt dated 6/6/2005 on the basis of evaluating customers credibility.
- The finance operations are written off in case of the unfeasible collection procedures, deducting them from the financing and investment provision and other provisions related to breach of trust. In case of there is collections of the previously written off debts, they are credited to the mentioned provisions.
- Other provisions represent provisional commitment resulting from an event occurred in the past with expectation of resources flow to settle it.

2-8 Contingent Liabilities and Commitments

Contingent liabilities and commitments to which the Bank is involved, are shown under the item “Contingent liabilities and commitments”, as they do not constitute actual assets or liabilities at date of the balance sheet. These commitments are represented in currency exchange operations and are concluded for investment purposes and not speculation. The yield is recorded in the statement of income under item profit/loss of foreign currency operations.

2-9 Cash and Cash Equivalents

For the purpose of the preparation of the cash flows statement, the cash and cash equivalent account comprise cash balances and accounts with the Central Bank of Egypt and current accounts with banks.

2-10 Depreciation of Fixed Assets

The bank adopts the straight line method in the depreciation of fixed assets at appropriate annual rates, according to the estimated production life for each asset as follows:

2 % Building,	10% Furniture and Equipments,	20% Vehicles
20% Computers,	10% Safes	10% Rented assets improvements.

Expenses of rented bank branches improvements are depreciated over the estimated productive period or the rent duration, whichever is less.

2-11 Taxes

Taxes are calculated according to the prevailing laws, regulations and instructions.

Provisions are accumulated for taxes after related necessary studies according to tax claims.

2-12 Profit Distributions

Profit distributions are recorded and deducted from Equity rights during period of General Assembly convention. They include staff share and remuneration of the Board of Directors as specified in the statute and Law.

2-13 Zakat Legitimately Due On the Bank's Funds

Zakat Legitimately Due on the Bank's Funds (Shareholders) which remained in hand for a full year, is considered a part of the cost of profit and not as distribution of profit according to the provisions of Article (3) of the Bank Law No. (48) of the year 1977. It is noted that fixed assets and similar items are excluded from the Zakat pool according to the Shareia rules.

2-14 Return on Saving Pools

The Return on saving pools is determined and distributed every three months, according to the following :

- Accounting separation between banking services and operations in one side, and investment operations and trading, in another side.
- The value of investment operations as well as of trading operations are determined according to the actual recorded amounts.
- The Bank, as Managing Trustee (Modareb) is entitled to a share in the net results of investment operations and of productive and trading operations.
- The Bank's share as well as the share of the owners of the saving pools in the net results of investment and trading operations, are determined on the basis of the ratio between the value of each saving pool and the amount of financing provided from the bank resources.

2-15 Major Accounting Estimations and Assumptions :

The Bank uses estimations and assumptions affecting the assets value and the liabilities disclosed during the subsequent financial year. These estimations and assumptions are conducted on basis of the historical experience and other factors including future expectations that are regarded as being reasonable within the available conditions and data.

3. Financial Instruments and Risk Management

3-1 Financial Instruments :

The bank's financial instruments are represented in financial assets and A) liabilities. The financial assets include cash, current accounts, balances with banks, financial investments and deployment operations with customers and banks. The financial liabilities include customer deposits, due to banks, also include rights and commitments recorded in the item of contingent liabilities and commitments.

The significant accounting policies applied for the recognition and measurement of the above-mentioned financial assets and liabilities and the related income and expenses are included in note No. (2) of the notes to the financial statements.

B) Fair Value of Financial Instruments :

The carrying amounts of the financial assets and liabilities referred to above are not materially different from their fair values at the balance sheet date.

C) Deferred Contracts :

According to the Central Bank of Egypt instructions, the bank doesn't involve in the differed contracts except for specified limit to cover the customers' requirements to meet their liabilities in foreign currencies resulting from their deals through the bank and they are all considered short term operations.

3-2 Risk Management of Financial Instruments :

A) Return Rate Risk :

The bank determines the return rates of the saving pools according to actual activity results every three months. Hence, the return rate is changeable; the thing which decreases the risk to the minimum. Note No. (26) of the financial statements includes the average return rates applied during the year on financial commitments.

B) Credit Risk :

The Morabaha, Musharaka and Modaraba operations provided to the customers, banks and financial investments and also current accounts and balances with banks, as well as rights and commitments of others are considered among the financial assets that are exposed to the credit risk. This is represented in the inability of others to pay part or all amounts due on specified dates.

The bank adopts several procedures to minimize the credit risk, most important of which are as follows :

- Continuous training to raise the efficiency of the credit employees.
- Classifying customers according to their credit worthiness.

- Wide increase in the customer base to spread and mitigate the credit risks.
- The distribution of Bank portfolio over different sectors and adopting safe legal channels together with varying investment fields and making adequate payment terms according to the available bank resources in order to keep with liquidity requirements.
- Limiting foreign currency operations and exercising due care in their studies to face the risk of fluctuation in currency price in addition to ensuring that the customers have legal safe channels of foreign currencies.
- Feasibility study of the projects and preparation of the credit analysis and the related inquiries of customers' positions in the market and ensuring the accurateness of the information and their analysis to properly determine the related credit risk level.
- Obtaining sound collaterals after revising their legal aspects as well as evaluating them and continuous follow up.
- The continuous follow-up and studies updating of the customers for the purpose of evaluating their financial and credit position and control of the financial operations through the executive committee and the different bank departments (Risk Management Sector, valuation and follow-up of fund allocation department, Audit and follow-up unit and arrears follow-up units in the branches).
- Ensuring the branches' commitment in executing all the conditions and collaterals issued by the concerned authorities and follow-up of its accurate execution.
- Continuous classification of insolvent customers and making adequate provisions and approving them by the board of directors.

C) Foreign Currency Fluctuations' Risk

Since the Bank deals in several foreign currencies subject to the nature of its operations, the bank may be exposed to the risk of foreign currencies fluctuations. To mitigate this risk to the minimum level, the bank seeks the balance among the foreign currencies positions according to the Central Bank of Egypt instructions.

Note No. (28) shows the significant currencies position on date of balance sheet.

4. Cash and Balances with the Central Bank of Egypt :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Cash.	205175	186877
ATM Machines.	12800	7809
Balances with the Central Bank of Egypt	2406404	1423992
Total	2624379	1618678

5. Balances with Banks :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Local Banks- current accounts	21760	21826
Foreign Banks- current accounts	33519	52104
Total	55279	73930

6. Financial Investments for Trading Purpose:

	L.E. (000)	
	December 31, 2009	December 31, 2008
Shares	107445	---
Investment Funds documents	7293	62882
Portfolios managed by others	233074	231539
Total	347811	294421

The Financial Investments for Trading purpose are represented as follows:

Financial investments listed in stock market	107445	---
Financial investments not listed in stock market	233074	231539
Investment funds documents	7292	62882
Total	347811	294421

7. Financial Investments Available For Sale:

	L.E. (000)	
	December 31, 2009	December 31, 2008
<u>Investments in shares</u>		
Banks shares	612708	704853
Companies shares	2402780	1991401
Total	3015488	2696254

The financial investments available for sale are represented as follows:

Financial investments listed in the stock market (*)	745526	805725
Financial investments not listed in the stock market	2269962	1890529
Total	3015488	2696254

(*) Decline in the shares prices of some companies has been deducted (Those exceeding 10% of their book value) according to the published prices of the stock exchange as at 31 December 2009 in the item "Fair value Reserve / Financial investments available for sale" in the equity rights. This is done in anticipation of increasing their prices in the stock exchange during the first week of January 2010, and also increasing the average fluctuation during the year.

(*) The Bank continues decrease of its shareholding in Ithmar Bank-Bahrain to reach its market value by end of 2010, also to stop the over financing with Ithmar Bank as per the Central Bank of Egypt's approval dated 24 November 2009.

8. Musharaka, Modaraba, Morabaha and Real-Estate Investments (without provision) :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Operations with Customers	5476250	5170065
Operations with Banks (*)	14835432	11016139
Other Investments	---	1751537
	20311683	17937741
Provision of finance and investment.	(1898676)	(1631872)
Segregated revenues.	(327946)	(337607)
Advance payments on account of finance operations for subsequent years.	(242413)	(248900)
Total	17842648	15719362

(*) Balances of operations with Banks as at 31 December 2009 include the equivalent to about L.E. (271.6) million representing the balance of "trading operations" with Bank of Credit & Commerce International (under compulsory liquidation by order of the British High Court on 14/1/1992) after receiving a seventh dividend of (2.5%) on 10/12/2008; bringing total to (86.5%) of the principal amount. Total provision made for these investments amounts to L.E. 196.7 million, and it is expected to receive further dividends in the near future up till close of the liquidation process.

9. Provision of Finance and Investment Operations (Regular and Irregular) :

L.E. (000)

	Dec. 2009			Dec. 2008		
	Specific	General	Total	Specific	General	Total
Opening balance at the beginning of the year	1550872	81000	1631872	1081603	114081	1195684
Provision during the period	398249	---	398249	584529	232	584761
Transferred from General provision.	---	---	---	33313	(33313)	---
Transferred to contingent Liabilities provision.	---	(4925)	(4925)	---	---	---
Transferred from other provisions.	---	---	---	57	---	57
Re-valuation differences of Foreign Exchange Provision	3550	---	3550	(744)	---	(744)
	1952671	76075	2028746	1698758	81000	1779758
Used during the year	(6156)	---	(6156)	(35488)	---	(35488)
Released provisions (*)	(123914)	---	(123914)	(112398)	---	(112398)
Closing balance at year end	1822601	76075	1898676	1550872	81000	1631872

Released provisions have been credited to the statement of income within "other operations revenues", and include (L.E. 108316 thousand for local customers, USD 2843 thousand; the equivalent to L.E. 15598 thousand for Saudi Finance / Geneva). (*)

10. Financial Investments Held to Maturity Date :

	L.E. (000)	
	December 31, 2009	December 31, 2008
First: International financial papers.	161092	971794
Financial Investments in Egyptian Companies.	362851	84416
Financial papers guaranteed by the Egyptian government.	1929962	1207727
Other Investment Funds.	123422	---
Second: <u>Certificates of FIBE Mutual Funds</u>		
- FIBE's Growth & Income Mutual Fund: The Bank has a number of 162420 Certificates with redemption value of L.E. 112.29/per certificate.	18238	22928
- Certificates of FIBE and CIB Capital Growth Mutual Fund "El-Aman": The Bank has a number of 37193 Certificates with redemption value of L.E. 61.47/per Certificate.	2286	3719
Total	2597851	2290584
<u>Financial Investments held to maturity date are represented in:</u>		
- Financial Investments listed in stock market.	2292813	1292143
- Financial Investments not listed in stock market.	284514	971794
- Certificates of Mutual Funds.	20524	26647
Total	2597851	2290584

11. Financial Investments in Subsidiaries & Mutual interests Companies :**A) Contributions in Capital of Subsidiaries :**

L.E. (000)

Company Name	2009		2008	
	Amount	%	Amount	%
Ismailia National Co. for Food Industries (FOODICO).	62319	67.6	20773	67.6
Animal Production Islamic Co.	1	85.2	943	85.2
Islamic Company for Feeding Industries (FEEDICO).	---	78.0	---	78.0
Al-Alamia Import & Export Co.	1	50.6	1	50.6
Islamic Foreign Trade Co.	1	78.8	1	78.8
Giza For Agro Industries.	---	---	1	51.7
Horizon for Investment & Industrial Development.	41786	69.1	48880	69.1
United for Industry & Management.	1	94.7	1	94.7
Standard Shoes.	1	94.8	1	94.8
Faisal Bank Exchange.	4350	87.0	4350	87.0
Al-Kholoud for Tourism & Real Estate Development.	266000	70.0	266000	70.0
Total (A)	374460		344852	

B) Contributions in capital of Mutual Interests Companies :

Company Name	2009		2008	
	Amount	%	Amount	%
Istesharah Holding-Bahamas.	1	24.0	219	24.0
Islamic Co. for Production of Flooring Materials.	2020	20.0	2020	20.0
Islamic Investment & Development Co.	2273	43.8	2273	43.8
Arab Co. for Disinfection works (ARADIS)	209	40.0	209	40.0
Modern National Co. for Wood Industry.	5082	44.4	5082	44.4
Giza Paint & Chemical Industries.	3616	48.6	5196	48.6
Misr International Hospital.	18587	24.2	18587	24.2
Islamic Detergent Co.	1	40.0	1	40.0
Cairo Carton Industry (Copack).	31340	25.0	31340	25.1
Islamic Co. for Packing Materials (ICOPACK).	8044	20.1	8044	20.1
Egypt Co. for Packing Materials (EGR).	14550	36.4	14550	36.4
Total (B)	85723		87521	
Total [A + B]	460183		432373	

Financial Investments in Subsidiaries & Mutual interests Companies are represented in :

L.E. (000)

	December 31, 2009	December 31, 2008
Financial investments listed in the stock market	---	28817
Financial investments not Listed in the stock market	460183	403556
Total	460183	432373

12. Capital Commitments :**A) Financial Investments :**

The commitments related to the financial investments unclaimed till balance sheet date are L.E. 334891 thousand as follows :

	L.E.(000)		
	Contributions	Paid	Not paid yet
Financial Investments Available for Sale	338458	(17967)	320491
Financial Investments in Subsidiaries and Mutual Interests Companies.	14400	---	14400
	352858	(17967)	334891

B) Fixed Assets :

Commitments related to contracts of fixed assets not executed till balance sheet date, amounted to L.E. 9872 thousand.

13. Debit Balances and Other Assets :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Accrued Revenue	73917	85241
Advance Expenses	5112	5004
Advance payments for purchase of Fixed Assets	9872	20485
Assets obtained by bank against debts (*)	---	21871
Insurance & custodies	---	11468
Subscription in shares	11527	18632
Other debit balances (**)	50697	8984
Benevolent loan	176	191
Payments on account of taxes.	59522	59522
Treasury notes taxes.	16992	5890
Projects under execution.	37477	---
Total	265586	237288

Provision has been made for full amount of assets obtained by the bank against debts of L.E. 9137 Thousand represented in Om Zaghio Land / Alexandria amounting to L.E. 6790 thousand, and a shop in Al-Haram Street / Giza amounting to L.E. 2347 thousand. This in addition to transferring an amount of L.E.12734 thousand to investments in fixed assets within the item Musharaka, Modaraba, Commercial and productive Murabaha and Real-estate investments". (*)

Provision of L.E. 4927 has been made for some items of "other debit balances". (**)

14. Fixed Assets (After Deducting Accumulated Depreciation) :

	L.E. (000)								
	Lands	Automatic systems	Vehicles	Buildings	Equipment & devices	Furniture	Steel safes	Improvements on Rented Assets	Total
Beginning of the year	114127	42575	10198	357630	25249	8952	5232	---	563964
Additions	5357	3152	3783	22116	4297	1401	62	50	40218
Extractions	(4288)	---	(67)	(12322)	---	---	---	---	(16677)
Cost at year end	115196	45727	13914	367424	29546	10354	5294	50	587505
Accumulated depreciation	---	(30928)	(6307)	(45075)	(20590)	(5487)	(2532)	---	(110919)
Depreciation of the year	---	(4511)	(1518)	(7343)	(908)	(683)	(460)	---	(15423)
Extraction Depreciation	---	---	3	557	---	---	---	---	560
Accumulated depreciation at year end	---	(35439)	(7822)	(51861)	(21498)	(6170)	(2992)	---	(125782)
Net assets at 31/12/2009	115196	10288	6092	315563	8048	4184	2302	50	461723
Net assets at 31/12/2008	114127	11647	3891	312555	4659	3466	2700	---	453045

15. Due to Banks :

	L.E. (000)	
	December 31, 2009	December 31, 2008
A. Central Bank of Egypt		
Other Investments.	192	192
	192	192
B. Local Banks		
Current Accounts	---	7347
	---	7347
C. Foreign Banks		
Current Accounts	52816	47911
Investments	50641	58877
	103457	106788
Total	103649	114327

16. Saving pools :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Current accounts.	505912	581899
Investment Accounts.	17869527	14796033
Two years and more investment.	202582	301285
Other deposits.	74589	86330
Total	15765547	15765547

17. Credit Balances and Other Liabilities :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Returns due to customers (4 th quarter)	386737	305368
Accrued expenses	1443	1223
Other credit balances	118547	40380
Zakat Legitimately Due	6494	1773
Total	513221	348744

18. Other Provisions :

Statement	L.E. (000)				
	Opening Balance at the beginning of the year	Made during the year	Closing balance at year end	Transferred from Murabaha provision	Provision of Re-valuation differences
- Provision for probable tax claims.	---	16992	16992	---	---
- Other provisions. (Breach of Trast)	1614	---	1609	---	(5)
- Contingent liabilities provision.	---	---	4925	4925	---
Total	1614	(16992)	23526	4925	(5)

19. Shareholders' Equity :

A) Authorized Capital :

Authorized capital amounts to U.S. Dollars 500 million.

B) Issued and Paid up Capital :

Issued and paid up capital of the Bank amounted to USD 296,788,500; the equivalent to L.E. 1,059,354,789 distributed over 59,357,700 shares at par value of USD 5/share. These shares are divided to 46,001,384 shares in US Dollars and 13,356,316 shares in the equivalent Egyptian pound.

C) Reserves :

General Reserve :

- According to the Bank's statute, 10% of net profit is credited to the General Reserve. This reserve shall be stopped whenever it reaches 100% of the issued capital.
- The General Reserve has been increased by L.E. 8399 thousand; representing 10% of the net distributable profits of the year 2008 following sanction of the General Assembly of the bank on 27/3/2009.

D) Fair Value Provision of Financial Investments Available for Sale :

The rules of financial statements preparation and the basis of recognition and measurement approved by the Central Bank of Egypt on 16/12/2008 have been applied on the balance of this item.

E) Special Reserve (For Financial Investments) :

According to the instructions of the Central Bank of Egypt, in case of any decline in the value of financial investments available for sales, the special reserve is used to cover such decline, and the remaining surplus is charged to the statement of income. The provision balance has been transferred in full to the Fair value provision of Financial investments available for sale.

20. Contingent Liabilities and Commitments :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Letters of guarantee	123785	167757
Letters of Credit - (Import and Export)	43696	19164
Against Bills	13827	16448
International trading commitments	22545	41353
Total	203853	244722

21. Foreign Currency Transactions Profits :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Profits of foreign currency transactions.	26488	21013
Credit/ (Debit) differences from valuation of assets & liabilities balances of monetary nature.	(18158)	32209
Total	8330	53222

22. Revenues of Other transactions :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Released provisions		
Bank of Credit & Commerce Int.	---	47068
Domestic Finance Clients.	123914	65330
Profits of property and equipments sales.	460	---
Remuneration of bank representatives in companies.	3221	1276
Collected rents.	158	106
Collected maintenance expenses.	8	6
Total	127761	113786

23. Other Financial Investments revaluation differences :

	L.E. (000)	
	December 31, 2009	December 31, 2008
Financial Investments available for sale.	(9222)	32022
Financial investments in subsidiaries & mutual interests companies.	(17542)	(2056)
Total	(26764)	29966

(*) Valuation differences are in minus due to impairment losses of some of the bank's investments.

24. Share dividend from Net Profit :

	L.E. (000)	
	December 31, 2009	
- Net profits of the year.	123789	
- Remuneration of the Board of Directors and the Religious Supervisory Board.	(3500)	
- Share of personnel of net profits.	(9815)	
- Share of shareholders of net profits. (*)	110474	
- Average number of shares (in thousands).	59358	
- Share dividend from net profits. (*)	L.E. 1.861	
(*) Distributed as follows :		
- General reserve.	12333	
- Dividends. (*)	97681	
- Capital reserve.	460	
Total	75102	

(**) Dividend per share (In Egyptian Pounds)

L.E. 1.646

25. Maturities of Assets and Liabilities :

	L.E. (000)	
	Within One Year	More than One Year
A) <u>Assets</u>		
Modaraba with Central Bank of Egypt	2624379	---
Balances with Banks	55279	---
Financial Investments for Trading Purpose	347811	---
Financial Investments Available for Sale	3015488	---
Financial Investments Held to Maturity Date	---	2597851
Investment Operations for customers	1976926	3499324
Modaraba operations with Banks	14835433	---
Financial Investments in Subsidiaries & Mutual interests companies	---	460183
Debit balances and other assets	667787	59522
Total	23523103	6616880
B) <u>Liabilities</u>		
Balances due to Banks	103649	---
Saving pools	18450028	202582
Saving certificates	---	6803585
Credit Balances and Other Liabilities	513221	---
Other provisions	---	23526
Total	19066898	7029693

26. The Return rate applied during the year :

The average return rate for the saving pools distributed during the year amounted to 4.99% for the general investment accounts and two years and more investment accounts in Egyptian pounds, 7.64% for the three years saving certificates, 9.3% for the seven years saving certificates "Nam'a", 0.40% for the investment accounts in foreign currencies and 1.2% for the investment accounts in EURO currency.

27. Taxes Situation :

- Salary Tax.

- Years up till 1998 :

Declarations have been submitted with no final tax decision yet.

- Years 1999 / 2004 :

Center of Major Customers conducted due inspection with no feed back yet.

- Years 2005 / 2008 :

Declarations have been submitted with no final decision yet.

- Stamp duty Tax :

The stamp duty tax authority has inspected the records of the head office and its branches since the start of the bank's activity up till 31/7/2006. The said inspection confirmed that the bank has credit balance following the court orders that were in favour of the bank.

- Corporate Tax :

The bank has submitted its annual tax declarations in the legally specified dates. Settlement has been agreed upon with the Center of Major Customers since the start of activity up till 2004 at an amount of L.E. 284 million. As for the years 2005/2006, inspection has been concluded with negative result, and as for the years 2007/2008, the bank has submitted related tax declarations in the specified dates with no feed back yet.

28. Significant Currencies position :

	(L.E. (000))	
	December 31, 2009	December 31, 2008
Egyptian pound	25113	(9476)
US Dollar	(12964)	(11750)
Saudi Riyal	159	601
Sterling pound	1	(22)
Swiss Franc	(292)	15
Japanese Yen	(676)	1760
EURO	(27)	36
Other currencies valuated in USD	8671	13257

29. Mutual Funds :

- The bank Established a Mutual Fund on 30/9/2004 as per the capital market authority license No. 330. The Fund is managed by EFG-Hermes, and has a number of certificates of 450000 with nominal value of L.E. 100 / certificate.
- The Bank established in collaboration with the Commercial International Bank (CIB)/ Egypt a capital growth Mutual Fund on 30/7/2006 as per the capital market authority license No. 365. The Fund is managed by C.I. Assets Management, and has a number of Certificates of 950000 with nominal value of L.E. 100/ certificate.

30. Dealings with related parties :

The bank deals with related parties on the same basis adopted when dealing with other parties. The nature and balances of these deals as at 31/12/2009 are represented in the following :

	L.E. (000)	
	December 31, 2009	December 31, 2008
- Financial Investments Available for Sale.	3015488	2696254
- Customers' Financing.	787622	667074
- Financial Investments Held to Maturity date.	20524	26647
- Financial Investments in Subsidiaries & Mutual Interests Companies.	460183	432373
- Debit Balances and other Assets.	5984	23340

31. Comparative Figures :

The comparative figures have been adjusted to match the tabulation and valuation of the current year financial statements.

Dr. Hazem Ahmed Yasseen

Egyptian Accountants

Emad Hafez Moustafa Ragheb

Allied for Accounting and Auditing – E&Y

Auditors' Report

To : The Shareholders of Faisal Islamic Bank of Egypt (S.A.E.)

We have audited the financial statements of Faisal Islamic Bank of Egypt (S.A.E.) represented in the balance sheet as of December 31, 2009, and the related statements of income, changes in shareholders equity and cash flows for the year then ended, in addition to summary of major accounting policies and other notes.

Responsibility of the Management :

These financial statements are the responsibility of the bank's management who is entitled to prepare and illustrate the financial statements in a fair and clear manner in accordance with the rules of preparing and reporting financial statements of the banks issued by the Central Bank of Egypt on 27 June 2002 and its amendments including those related to the financial investments dated 16 December 2008 and subject to the Egyptian laws in force. The management's responsibility includes designing and conducting internal control for preparing and illustrating financial statements in a fair and clear way void of any deviations whether in deceit or error. This responsibility also includes choice of proper accounting policies.

Responsibility of the Auditor :

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on Auditing and applicable Egyptian Laws and regulations. The Egyptian Standards on Auditing require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We obtained all information and explanations, which we considered necessary for the purpose of our audit. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

Opinion :

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Faisal Islamic Bank of Egypt (S.A.E.), as of December 31, 2009, and the results of its operations and cash flows for the year then ended, in conformity with The CBE Accounting Standards dated 27 June 2002 and its amendments including those related to financial investments dated 16 December 2008 and subject to the related applicable Egyptian laws and regulations.

Report on other legal and regulatory requirements :

The bank maintains proper accounting records, which include all that is required by Law and the statutes of the bank, and the accompanying financial statements agree with the bank 's records. According to the information and explanations given to us, there are no contravention of Law 88 of 2003, or the bank's statutes.

The financial information included in the Board of Directors' report and schedules prepared in accordance with Law 159 of 1981 and its executive regulations are in agreement with the bank's accounting records in so far as such information is recorded therein.

Cairo: 10 February 2010

Auditors

Dr. Hazem Ahmed Yasseen

**M.E.S.A.A., M.E.S.T
A.A.R. (4186)
Capital Market Authority
Reg. (48)
Egyptian Accountants
12, Abu El-Maaly Street, Agouza**

Emad Hafez Ragheb

**M.E.S.A.B.
M.C.S.T
A.A.R. (3678)
Capital Market Authority
Reg. (42)
Allied for Accounting & Auditing E&Y
73, El-Ahrar Street,
Mobica Tower, Mohandeseen**

Report of the Bank's Religious Supervisory Board

For the financial year ending 31st December, 2009

(Moharram 14, 1431 H.)

In the name of Allah the compassionate and the Merciful. Praise to Allah for his manifold blessings. Prayers and peace be on the Prophet, the messenger of Allah our sire Mohamed the last of all prophets and messengers.

The Religious Supervisory Board of Faisal Islamic Bank of Egypt convened on Tuesday 2 Rabiul Awal 1431 H. corresponding to 16 February, 2010, at the bank's head office premises - Cairo.

The Board discussed with the Bank's representative the contents of the Balance Sheet, the financial statements and the statement of income as shown in detail in the minutes of the meeting.

It has been observed that Faisal Islamic Bank of Egypt conducts all its Investment and Banking activities in accordance with the rulings and provisions of Islamic Sharia. The Board has delegated its chairman to prepare the final report to be submitted to the General Assembly and authorized him to sign it.

The mentioned minutes of meeting confirm the following :

1. The bank, despite the state of instability prevailing the banking and financial market, was very attentive to conducting all activities and services in conformity with the Islamic Sharia.
2. The Bank also adheres to the rulings and provisions of Islamic Sharia as regards the dues of Zakat and the related Zakat Fund.

For This:

The Board is of the opinion that the operations carried out by the bank during the year under review fall within the framework of the provisions of the Islamic Sharia and are based on the Fatwas and rulings issued by the Board.

Our last prayers are in gratitude to Allah, the God of the whole universe.

Chairman of the Religious Supervisory Board
His Eminence Dr. Nasr Farid Wassel
Former Mufti of the Arab Republic of Egypt,
And Member of the Islamic Research Academy of Azhar
And Member of the Jurisprudents of the Islamic World League-Mecca Al-Mokarama

2, Rabiul Awal 1431 H
16, February 2010

Bank Companies

The Bank invests part of its funds to establish companies by participating in their capital with others of distinguished expertise; in a manner covering all sectors of economic activity.

These companies positively contribute to the economic development of the country and provide thousands of job opportunities for the citizens as well as securing their basic needs.

Most of these companies have a leading role in many fields such as pharmaceuticals, integrated medical care, industrial and animal production and others. The production of these companies covers a major portion of the local market needs as well as exports abroad.

The number of the companies established and participated in by the bank amounts to (69) companies, (48 of which are available for sale and the remaining are subsidiaries and mutual interests companies) with total share capital amounting to (L.E. 5.314) billion, USD (1.856) billion, Sudanese Dinar (180.247) million, UAE Dirham (50) million and Bahrain Dinar (180) million standing for the equivalent to L.E. (18.631) billion as per the declared exchange rate as at 31/12/2009, with bank's participation of L.E. (2.079) billion of which an amount of L.E. (1.562) million is paid up. The following is a sectoral grouping of these companies :

(L.E. Thousands)

Sector	No. of Companies	Issued Capital					Bank Participation L.E.	Paid up from Bank participation L.E.
		L.E.	Bahrain Dinar	USD	Sudanese Dinar	UAE Dirham		
Agro-animal.	2	95000	---	---	---	---	66580	62320
Industrial.	19	1200745	---	297489	---	---	442450	359061
Pharmaceuticals.	4	142000	---	---	---	---	28461	26043
Investments.	4	5000	---	235235	---	---	163440	15334
Foreign Trade.	3	25252	---	10000	---	---	21710	3293
Housing.	5	2197400	180000	88574	---	---	436019	363440
Banks and Financial Institutions.	17	1270980	---	1223561	180247	50000	891691	705400
Information Technology.	6	202598	---	---	---	---	20311	19625
Others.	9	235511	---	1000	---	---	8340	7819
Total	69	5314486	180000	1855859	180247	50000	2079002	1562335

Bank's participation

List of Companies in which the Bank Participates

As at 31/12/2009

(All amounts are in L.E. Thousand)

Affiliated Company and Sector	Issued capital	Currency	Bank Participation	Paid up from Bank Participation	Year of Starting Production
• Agro Animal Production					
1- Animal Production Islamic Co.	5000	L.E.	4261	1	1986
2- Ismailia National Co. for Food Industries (FOODICO).	90000	L.E.	62319	62319	1987
Total	95000	L.E.	66580	62320	
• Industrial Production					
1- Modern National Company for Wood Industry.	27000	L.E.	12000	5082	1994
2- Islamic Company for Feeding Industries (FEEDICO).	10000	L.E.	7842	---	1987
3- Islamic Detergent Co.	12000	L.E.	3480	1	1988
4- Islamic Co. for Production of Flooring Materials.	10000	L.E.	2020	2020	1989
5- Standard Shoes.	10000	USD	22657	1	2003
6- Islamic Co. for Packing Materials (ICOPACK).	40000	L.E.	8044	8044	1990
7- Giza Paint & Chemical Industries.	30000	L.E.	14571	3616	1987
8- Egypt Co. for Packing Materials (EGR).	40000	L.E.	14550	14550	2000
9- Horizon for Investment and Industrial Development.	88000	L.E.	60786	41786	2000
10- Aswan for development & Mining.	544000	L.E.	5690	5690	under liquidation
11- Egyptian Co. for Industrialization (Selital - Pacific).	69730	L.E.	1665	1	1986
12- Midor for Electricity (MIDALIC).	137489	USD	98044	98044	2001
13- SUGAS Company.	15466	L.E.	1200	1200	2003
14- Multi Gas Company.	13450	L.E.	978	760	2002
15- Goldentx Company for wool.	129849	L.E.	1797	1797	1984
16- Cairo Carton Industry (Copack).	125000	L.E.	31340	31340	2005
17- United for Industry & Mangement.	11250	L.E.	10658	1	1999
18- Helwan Fertilizers Co.	150000	USD	139878	139878	2007
19- International Co. for Mouldings & Modern Industries.	35000	L.E.	5250	5575	2007
Total	1200745	L.E.	442450	359061	
	297489	USD			

(All amounts are in L.E. Thousand)

Affiliated Company and Sector	Issued capital	Currency	Bank Participation	Paid up from Bank Participation	Year of Starting Production
• <u>Pharmaceutical and Medical Care</u>					
1- Cairo Medical Center	20000	L.E.	2137	2137	1981
2- Misr International Hospital	60000	L.E.	18587	18587	1983
3- Al-Mona Co. for Child Care	42000	L.E.	4000	2000	2004
4- Ebn Sina Laporex	20000	L.E.	3737	3319	2002
Total	142000	L.E.	28461	26043	
• <u>Investments</u>					
1- Islamic Investment & Development Co.	5000	L.E.	2273	2273	1983
2- Islamic Development Co. Sudan.	35235	USD	13061	13061	1985
3- Holding Co. for Investments.	100000	USD	93252	---	under establishment
4. Misr Investment Co.	100000	USD	54854		under establishment
Total	5000	L.E.	163440	15334	
	235235	USD			
• <u>Domestic & Foreign Trade</u>					
1- Islamic Foreign Trade Co.	20000	L.E.	15760	1	1983
2- Al Alamia Import & Export Co.	5252	L.E.	2659	1	1990
3- Islamic Trading Co. (Bahrain).	10000	USD	3291	3291	1991
Total	25252	L.E.	21710	3293	
	10000	USD			
• <u>Housing & Construction</u>					
1- Arab Co. for Tourism Investments.	2100000	L.E.	39883	39883	2005
2- Al-Asher for Development & Real Estate Investments.	77400	L.E.	8515	7836	1999
3- The Arab Fund for Direct Real Estate Investment.	20000	L.E.	2100	2100	2000
4- Al-Khelood Company for Real Estate and Tourism Development.	88574	USD	337974	266000	under establishment
5- Naseej Co. Bahrain.	180000	Bahrain Dinar	47621	47621	2009
Total	2197400	L.E.	436019	363440	
	88574	USD			
	180000	Bahrain Dinar			

(All amounts are in L.E. Thousand)

Affiliated Company and Sector	Issued capital	Currency	Bank Participation	Paid up from Bank Participation	Year of Starting Production
• Banks & Financial Institutions					
1- Faisal Islamic Bank of Sudan	110000	S. Dinar	104668	104668	1987
2- Dar Al-Maal Al-Islami	395561	USD	175561	175561	1981
3- Sudanese Islamic Bank	30774	S. Dinar	1594	1594	1983
4- Sudan Export Development Bank	39473	S. Dinar	410	---	1984
5- Faisal Bank Exchange Co.	5000	L.E.	4350	4350	1993
6- International Co. for Leasing (Incolease)	150000	L.E.	59835	59835	1997
7- Egyptian Saudi Insurance House	60000	L.E.	8181	8181	2003
8- Takafol Life Insurance Co.	100000	L.E.	25663	9163	2008
9- Takafol General Insurance Co.	100000	L.E.	25663	9163	2008
10- Solidarity Family Insurance Co.	60000	L.E.	14400	---	Under establishment
11- Egyptian Co. for Real Estate Re-insurance.	235980	L.E.	2000	2000	2007
12- Salama Takafol Insurance Co.	60000	L.E.	5970	---	Under establishment
13- Syrian Islamic Bank.	130000	USD	71310	---	Under establishment
14- Global Leasing Co.	500000	L.E.	50000	---	Under establishment
15- First Leasing Bank (Bahrain)	100000	USD	28798	28798	2004
16- International Co. for Leasing - U.A.E.	50000	UAE Dirham	11201	---	Under establishment
17- Ithmar Bank – Bahrain.	598000	USD	302087	302087	1984
	1270980	L.E.	891691	705400	
	1223561	USD			
Total	180247	S. Dinar			
	50000	UAE Dirham			
• Information Technology :					
1- Misr Banks Co. for Technological Development.	14550	L.E.	799	799	1997
2- Integrated Banking Solutions Co.	17000	L.E.	638	638	2009
3- Al-Ahly Co. For Computers	3000	L.E.	300	300	1998
4- International Co. For Information Technology	9285	L.E.	1393	707	2005
5- Technology Development Fund Co.	130000	L.E.	15000	15000	2005
6- Mediterranean Smart Cards Co.	28763	L.E.	2181	2181	2003
Total	202598	L.E.	20311	19625	
• Other Sectors					
1- The Arab Co. For Disinfection Activities (ARADIS).	500	L.E.	209	209	1984
2- Istishara Consulting Trust.	1000	USD	219	1	1984
3- Educational Projects Co.	6000	L.E.	460	460	1988
4- Al-Salam Investment Co.	5011	L.E.	304	1	1983
5- International Center for Management & Valuation.	1000	L.E.	128	128	2003
6- Educational Needs.	8000	L.E.	264	264	2008
7- Al Masria for Credit Info (Istaalam).	45000	L.E.	1611	1611	2008
8- Misr for Clearing, Registration and Central depository.	140000	L.E.	1145	1145	1996
9- Egyptian Co. for the construction & Management of Commercial Centers.	30000	L.E.	4000	4000	2008

<i>Total</i>	<u>235511</u>	<u>L.E.</u>	8340	7819
	1000	USD		

**The Zakat Fund of
Faisal Islamic Bank of Egypt
(S.A.E.)**

Financial Statements

Together With Auditors' Report

For The Year Ending December 31, 2009

(Moharram 14, 1431H.)

Zakat Fund

The activity of the Zakat Fund in the field of social solidarity since the Bank's inception, is considered one of the main features that distinguishes the bank from any other similar institutions. This is because linking between the socio-economic activities has always positive and effective impacts on the realization of the development efforts in the society.

Total Zakat Fund resources during the year under review amounted to L.E. (11.4) million, this is in addition to an amount of L.E. (1.9) million representing the balance at the beginning of the year, as against only L.E. (387) thousand in 1401 H. In this concern, cumulative resources of the fund as at end of 2009 amounted to L.E. (159.2) million; of which L.E. (36.4) million represents Zakat legitimately due on the Bank's funds, and the remaining balance represents Zakat from investment accounts' holders, individuals, grants, donations, returns on charity investment accounts, revenues of the vocational training center and others.

These resources have been directed to the beneficiaries of individuals, families, care donations for students in cash and in kind, construction of students housing at university cities in some governorates and Islamic Beouth city (Islamic Missions City).

Disbursements also included the rehabilitation of mosques, charity societies and supplying governmental hospitals and medical dispensaries at public quarters in all governorates with medical equipments, in addition to Holy Koran competitions and the orphanage. Total actual disbursements during the year under review amounted to L.E. (11842) thousand distributed as follows :

Aspects of Spending	Amount in L.E. Thousands
Individuals	9037
Students	344
Mosques and Tuition schools.	174
Holy Koran Competitions.	198
Charity Societies & Institutions.	894
Vocational Training Center Expenses.	28
General & Managerial Expenses.	1122
Assets necessary for operation.	37
Balances under settlement.	8
Total	11842

Owing to the high confidence in the Zakat Fund of the Bank, benevolent and bountiful persons have deposited funds in blocked charity accounts amounting to about L.E. (75) million as at end of 2009. Returns on these accounts are disbursed in the Zakat legitimate channels and other charity purposes.

It is also worth mentioning that the fund has established an Orphanage at Al-Moqatam Zone on an area of 2200 Square Meter, to host a number of 160 child. The orphanage has an independent entity with a separate account No. (262500 – Cairo branch).

**THE ZAKAT FUND OF
FAISAL ISLAMIC BANK OF EGYPT
(S.A.E.)**

BALANCE SHEET

As at December 31, 2009 (Moharram 14, 1431 H.)

Assets	Note	L.E.	
		December 31, 2009	December 31, 2008
Cash & Balances in the Bank.		1480861	1921898
Fixed Assets (After Depreciation).		5321605	5449494
Charity Investment Accounts.	(1)	75151488	67802477
Students Charity Housing.	(2)	2103810	2103810
Total		84057764	77277679
Liabilities			
Due to Zakat Beneficiaries.	(3)	6802466	7371392
Operating liabilities :			
Counter part of Charity Investment Accounts.		75151488	67802477
Counter part of Students Charity Housing.		2103810	2103810
Total		84057764	77277679

**THE ZAKAT FUND OF
FAISAL ISLAMIC BANK OF EGYPT
(S.A.E.)**

Revenue And Expenditure Account

For the year ending December 31, 2009

(Moharram 14, 1431 H.)

	L.E.	
	December 31, 2009	December 31, 2008
Revenues		
Opening Balance	1921898	4475969
Zakat Collected		
Zakat Legitimately due on the Shareholders' Equity	1772555	---
Zakat Provided by Owners of Investment Accounts	7031960	5822325
Zakat Provided by Individuals	655899	490402
Gifts and Donations.	---	737524
Returns of Charity Investment Accounts (Current Almsgiving)	1650025	2297440
Yield of the investment account of the fund	6246	114668
Other revenues	184468	297128
Revenue for a charity investment account	100000	---
Total	13323051	14235456
Expenditure :		
Individuals	9036824	7828998
Students	343989	331535
Mosques and Tutition Schools	173803	54336
Medical Institutions and Registered Charity Societies	894457	2291613
Holy Kor'an Competition.	198134	264915
Expenses of the Vocational Training Center	28107	2134245
General & Managerial Expenses	1122385	1328916
Assets necessary for Fund operation.	36491	---
Balances under settlement.	8000	---
Surplus	1480861	1921898
Total	13323051	14235456

Supplementary Notes to The Financial Statements

For The Year Ending December 31, 2009

1. Charity Investment Accounts (Almsgiving) amounted to L.E. (75151488) with returns disbursed in the legitimate channels and charity purposes.
2. Students charity housing amounting L.E. (2103810) is represented in the buildings and furnishings at the governorates of (Cairo, Assiut, Menoufia, Sohag and Mansoura). These housings have been handled over to the universities at these governorates for administration.
3. The rights of Zakat Beneficiaries amounting to L.E. (6802466) are represented in the cash balances, the land and buildings of the Zakat Fund at Zaytoun-Cairo, the Vocational Training Center, Vehicles and furniture, which are all necessary for the Fund to conduct its activities, and the land and buildings of the Orphanage at Mokattam.
4. For the purpose of preparing the Balance sheet, balances in foreign currencies have been translated into Egyptian Pound on the basis of the exchange rates declared by the Central Bank of Egypt within the free market at date of balance sheet.

Dr. Hazem Ahmed Yasseen
Egyptian Accountants

Emad Hafez Ragheb
Allied for Accounting – E & Y

AUDITORS' REPORT to the Shareholders of **Faisal Islamic Bank of Egypt (S.A.E.)**

We have audited the financial statements of the Zakat Fund of Faisal Islamic Bank of Egypt (S.A.E.) represented in the balance sheet as of December 31, 2009, and the Revenue and Expenditure Account for the year then ended. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on Auditing and applicable Egyptian Laws and regulations. The Egyptian Standards on Auditing require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We have obtained all information and explanations, which we considered necessary for the purpose of our audit. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

The Fund keeps proper accounts containing all that is required by Article (59) of the Bank's Articles of Association as well as by the General By-Laws of the Zakat Fund. Both the Balance Sheet and the Revenue and Expenditure Account have been found in conformity with what is recorded in those accounts. The financial data included in the Report of the Fund's Board are in agreement with the Fund's books and records, to the extent that such data is required to be recorded in the financial books.

In our opinion, the financial statements referred to above and the related notes present fairly, in all material aspects, the financial position of the Zakat Fund of Faisal Islamic Bank of Egypt (S.A.E.) as of December 31, 2009, and that the Revenue and Expenditure Account presents fairly the Fund's activity results for the year then ended.

Cairo, February 7, 2010

Auditors

Dr. Hazem Ahmed Yasseen
M.E.S.A.A., M.E.S.T
A.A.R. (4186)
Capital Market Authority
Reg. (48)

Emad Hafez Ragheb
M.E.S.A.A.
M.E.S.T.
A.A.R. (3678)
Capital Market Authority
Reg. (42)
Allied for Accounting E & Y

Head Office and Branches

Head Office and Cairo Branch

3, 26 July Street, Cairo Egypt

Tel: 27868939 - 27868723 - 27868724 Fax: 27866744

P.O. Box 2446 & 283 Cairo, Post code 11511.

SWIFT CODE : FIEG EG CX CAI

E-mail: cairo@faisalbank.com.eg

Web site: www.faisalbank.com.eg

(1)
Giza Branch
149 Tahrir Street, Galaa Sq., Dokki
Tel.: 37621285 - 37621286 - 37621287
37621288 - 37621289 - Fax: 37621281
Telex 93878 -20952 F. Bank UN
P.O.Box: 283 Cairo - Post Code: 12311
Cables: Faisal Bank Cairo.
SWIFT CODE: FIEG EG CX MAI
E-mail: giza@faisalbank.com.eg.

(2)
Ghamra Branch
14 A-El Sabe St. El-Zaher,
Cairo, Egypt - Post Code: 11271
P.O.Box: 8
Tel.: 25904794 / 25904756
Fax : 25904828
SWIFT CODE: FIEG EG CX GHM
E-mail: ghamra@faisalbank.com.eg.

(3)
Al-Azher Branch
106 Gowher El-Kaed St.
Al-Azhar square
Cairo, Egypt - Post Code: 11111
Tel.: 25911280 / 25934263
Fax : 25932505
P.O.Box: 20
SWIFT CODE : FIEG EG CX AZH
E-mail: azhar@faisalbank.com.eg.

(4)
Heliopolis Branch
4 Al-Athary Mohamed Nafei St.,
(behind Cairo Specialized Hospital)
Roxy, Heliopolis, Cairo / Egypt
Post Code: 11341
Tel.: 22565485 / 22565486 / 2256587
Fax: 22565488 - P.O.Box: 5962
SWIFT CODE : FIEG EG CX HEL
E-mail: helio@faisalbank.com.eg.

(9)
Alexandria Branch
7 Victor Bassily Street, Al Azaretta,
Alexandria / Egypt
Post Code 21131
P.O.Box : 1215
Tel.: 4878618 / 4875490 / 4856341
Fax: 4861653
SWIFT CODE : FIEG EG CX ALX
E-mail: alex@faisalbank.com.eg.

(10)
Mostafa Kamel Branch – Alex.
392, 394 Al-Ashraf Tower - Horriya,
Ahmed Shawky Road – Mostafa Kamel
Alexandria
Tel.: 5426848 / 5466039 / 5466074
Fax.: 5466075
SWIFT CODE : FIEG EG CX AX2

(11)
Damanhour Branch
Sheikh Mohamed Abd- El – Kerim
Street, Damanhour, Baheira / Egypt
Post Code: 22111
Tel.: 3311888 / 3310099 / 3311199
Fax: 3314000
SWIFT CODE : FIEG EG CX DMN
E-mail: damanhour@faisalbank.com.eg

(12)
Tanta Branch
2 Mohamed Said Pasha Street, Galaa
Street Corner, Gomhoria Square,
Tanta, Gharbeya / Egypt
Post Code 31111
Tel.: 3287983 / 3287985 / 3287982
Fax: 3287986
SWIFT CODE : FIEG EG CX TAN
E-mail: tanta@faisalbank.com.eg.

(17)
Banha Branch
El - Bahr Street, Banha
Qalyoubeya / Egypt
Post Code: 13511
Tel.: 3263489 / 3267249 / 3257861
Fax: 3254702
SWIFT CODE : FIEG EG CX BNH
E-mail: banha@faisalbank.com.eg.

(18)
Zagazig Branch
Al Montazah (AQADEEN
BUILDING) , Zagazig / Egypt
Post Code: 435
Tel.: 2314630 - 2308507 - 2308506
Fax: 2314628
SWIFT CODE : FIEG EG CX ZAG
E-mail: zagazig@faisalbank.com.eg.

(19)
Sohag Branch
Baga Street, Tatbekeyeen Building
Sohag / Egypt
Post Code: 82111
Tel.: 2324792 / 2324721
Fax: 2324795
SWIFT CODE : FIEG EG CX SOH
E-mail: sohag@faisalbank.com.eg.

(20)
Assiut Branch
Extension of Youssry Ragheb St.,
Assiut, Egypt - Post Code 71511
Tel.: 2343312 / 2343313
Fax: 2333739
P.O.Box: 112
Post Code: 71511
SWIFT CODE: FIEG EG CX ASU
E-mail: assiut@faisalbank.com.eg.

(5)
Dokki Branch
9, Adil Hussein Rostom Str.,
"Ex: Al-Sarraya" Dokki, Giza / Egypt
P.O.Box: 57
Post Code 12411
Tel.: 37605733 / 37629516 / 33376956-7
Fax: 33465823
SWIFT CODE : FIEG EG CX DOK
E-mail: dokki@faisalbank.com.eg.

(6)
Alexandria Branch
7 Victor Bassily Street, Al Azaretta,
Alexandria / Egypt
Post Code 21131
P.O.Box : 1215
Tel.: 4878618 / 4875490 / 4856341
Fax: 4861653
SWIFT CODE : FIEG EG CX ALX
E-mail: alex@faisalbank.com.eg.

(7)
Nasr City Branch
15 B, Ahmed Kassem Gouda Str.
First Zone - Off Abas El-Akaad
Post Code : 8202
Tel.: 24029548 / 24023946 / 24029472
Fax.: 24023596
SWIFT CODE: FIEG EG CX NSR

(8)
Zezenia Branch
New Cairo – Zezenia Zone
First Zone - Off Abas El-Akaad
Tel.: 29200949

(13)
Al Mahalla Al Kobra Branch
Al Guish Street, Al Awkaf Building
Al Mahalla Al Kobra,
Gharbeya, Egypt
Post Code: 31911
Tel.: 2239274 / 2231708 / 2237708
Fax: 2246817
SWIFT CODE : FIEG EG CX MHL
E-mail: mehalla@faisalbank.com.eg.

(14)
A-Mansoura Branch
Talaat Harb Str., Torel, Al-Mansoura
Dakahleya / Egypt - P.O. Box: 35111
Post Code : 35111
Tel: 2319965 / 2318792
Fax: 2315635
SWIFT CODE: FIEG EG CX MNS
E-mail: mansoura@faisalbank.com.eg.

(15)
Damietta Branch
New Damietta City, Central Zone
Main Street
Post Code : 34517
Tel.: 2410200 / 2410201 / 2410202
Fax: 2410203
SWIFT CODE: FIEG EG CX DOM

(16)
Aswan Branch
Al-Awkaf Building
Abu Semple Street, Aswan
Tel.: 2335061 – 2 – 3 - 4
Fax.: 2335058
SWIFT CODE: FIEG EG CX ASW

(21)
Suez Branch
3 Galaa Street
Suez / Egypt
P.O.Box: 79
Post Code 43111
Tel.: 3334345 / 3333902
Fax: 3334346
SWIFT CODE : FIEG EG CX SUE
E-mail: suez@faisalbank.com.eg.

(22)
Sayeda Zeinab Branch
38, Abdel Mageed Al-Laban Str.
Sayeda Zeinab – Cairo
Post Code : 11521
Tel.: 25323568 / 25328458
Fax: 25322682
SWIFT CODE: FIEG EG CX ZNB

(23)
6th of October Branch
38, 39 Central Cross Road,
6th of October City
Post Code 12596
P.O.Box : 28
Tel.: 38308716 / 38308717 / 38308720
Fax: 38308721
SWIFT CODE : FIEG EG CX OCT

(24)
Al-Obour City Branch
Al-Obour City – Golf City
Ac-Mailan Club, Units 8-9
Tel.: 49210890 / 49210891 /
49210892/3

Branches under Establishment :

**Al-Haram – Maadi – Shobra – Desouk (Kafr El-Sheikh) –
Arish – Fayoum – Menia**

Faisal Islamic Bank of Egypt

Standard Settlement Instructions (SSI)

CUR	Bank Name	Account Number	IBAN	SWIFT BIC COODE
USD	The Bank of New York Mellon, N.Y.	8033388676	---	IRVTUS3N
	Deutsche Bank Trust Co. Americas, N.Y.	04039607	---	BKTRUS33
EUR	Commerzbank A.G., Frankfurt.	400887909001	---	COBADEFF
	Credit Agricole, Paris.	20534132000	FR 7630006000012053413200014	AGRIFRPP
	Intesa San Paolo Spa., Milano.	03500 / 009848580105	IT 3150306912711009848580105	BCITITMM
CHF	Commerzbank A.G., Frankfurt.	4008879090 00 CHF	---	COBADEFF
JPY	Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo.	6530421790	---	BOTKJPJT
GBP	British Arab Commercial Bank Ltd., London.	0000101240	GB 29 BACM 40513200101240	BACMGB2L
SEK	Nordea Bank AB (Publ), Stockholm.	39527902126	---	NBBKSESS
SAR	Riyad Bank, Riyadh.	9250 30 784 9940	SA 89000000250307849940	RIBLSARI