

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

**Unconsolidated
Financial Statements
As of December 31,2007**

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Commercial International Bank (Egypt)

We have audited the accompanying unconsolidated Balance Sheet of Commercial International Bank (Egypt) S.A.E as of December 31, 2007 and the related unconsolidated statements of income, cash flow and statement of changes in Equity for the financial year then ended. These unconsolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these unconsolidated financial statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on auditing and in the light of provisions of applicable Egyptian Laws and regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall unconsolidated financial statements presentation. We have obtained the information and explanations which we deemed necessary for our audit. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the unconsolidated financial statements referred to above together with the notes attached thereto present fairly, in all material respects, the unconsolidated financial position of Commercial International Bank (Egypt) S.A.E. as of December 31, 2007, and the results of its operation and its cash flows for the Financial year then ended, in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the financial statements, issued on June 27, 2002 and its amendments and in compliance with applicable Egyptian laws and regulations.

The Bank Keeps proper accounting records which include all that is required by Law and the statutes of the Bank, and the accompanying unconsolidated financial statements are in agreement therewith.

According to the information and explanations given to us - during the financial year ended December 31, 2007 - no contravention of the Central Bank, banking and Monetary Institution Law No. 88 of 2003

The financial information contained in the Board of Directors' report prepared in conformity with Law No. 159 of 1981 and its executive regulation are in agreement with the Bank's accounting records within the limit that such information is recorded therein.


Ehab Fawzy Akl

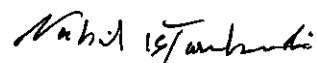
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Public Accountants & Consultants

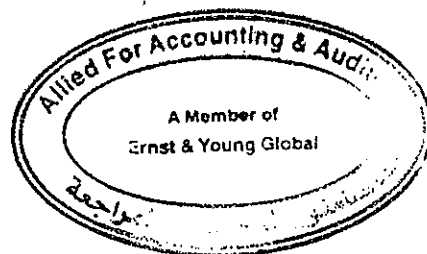
KPMG Hazem Hassan

Public Accountants and Consultants

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Nabil Akram Istambouli

Allied for Accounting & Auditing E & Y
Public Accountants & Consultants



Cairo, 21 February 2008

Activities Report for the year
from January 1st, 2007 to December 31st, 2007

The following are the significant variances for the Balance Sheet and Income Statement as of December 31st, 2007 compared to December 31st, 2006.

	<u>Dec. 31st,2007</u>	<u>Dec. 31st,2006</u>	<u>Variance</u>
1) <u>Balance Sheet</u>			<u>%</u>
(Amounts in EGP Billion)			
- Total Assets	47.5	37.4	27.--
- Contingent & Commitments Liabilities	11.5	6.9	66.7
- Loans & Overdraft (Net)	20.4	17.5	16.6
- Investments	3.8	5.4	(29.6)
- Treasury Bills & Other notes discountable at the CBE	2.9	4.1	(29.3)
- Customers Deposits	39.5	31.6	25.--
- Other Provisions	.4	.3	33.3
- Total Shareholders 'Equity & Net Profit	4.3	3.--*	43.3

	<u>Dec. 31st,2007</u>	<u>Dec. 31st,2006</u>	<u>Variance</u>
2) <u>Income Statement</u>			<u>%</u>
(Amounts in EGP Million)			
- Interest Received	2,993.7	2,317.8	29.2
- Interest Paid	(1,796.7)	(1,378.2)	30.4
- Banking Fees & Commissions	1001.7	817.3	22.6
- Non recurring Profit	148.4	-----	----
- Non Operating Income	1.3	0.4	225
- Net Profit After Tax	1,232.4	802.--	53.7

* Excluding 2006 cash dividends .

Commercial International Bank (Egypt) S.A.E.
Balance Sheet Unconsolidated as of
Dec. 31, 2007

	<u>Note No.</u>	<u>Dec. 31, 2007</u> EGP	<u>Dec. 31, 2006</u> EGP
<u>Assets</u>			
- Cash & Due From Central Bank	(4)	4,953,205,430	3,742,876,516
- Due From Banks	(5)	13,782,062,043	5,432,677,413
- Treasury Bills and other Notes Discountable at the CBE	(6)	2,948,674,319	4,058,745,805
- Trading Financial Investments	(7)	588,473,270	887,142,138
- Available for Sale Financial Investments	(8)	2,382,992,007	3,178,163,512
- Loans & Overdrafts (Net Of Provision for Doubtful Debts)	(9&10)	20,375,525,133	17,464,675,855
- Held to Maturity Financial Investments	(11)	443,894,166	822,284,338
- Financial Investments in Subsidiary and Associated Co.	(12)	365,723,936	475,836,460
- Debit Balances & Other Assets	(14)	1,020,565,573	821,707,644
- Deferred Tax	(26)	52,819,475	40,632,719
- Fixed Assets (Net)	(15)	607,104,820	497,753,223
- Total Assets		47,521,040,172	37,422,495,623
<u>Liabilities & Shareholder's Equity</u>			
<u>Liabilities</u>			
- Due to Banks	(16)	2,377,082,435	1,212,524,120
- Customers Deposits	(17)	39,514,539,992	31,600,227,198
- Dividends & Profit Sharing		-	287,235,147
- Credit Balances & Other Liabilities	(18)	773,862,137	843,634,576
- Long Term Loans	(19)	161,356,219	99,166,861
- Other Provisions	(20)	395,332,813	339,825,378
Total Liabilities		43,222,173,596	34,382,613,280
<u>Shareholders' Equity</u>			
- Issued & Paid - in Capital		1,950,000,000	1,950,000,000
- Reserves		1,087,294,215	1,089,882,343
- Reserve for employee stock ownership plan (ESOP)	(29)	29,159,584	
Total Shareholders' Equity	(21)	3,066,453,799	3,039,882,343
- Net Profit of the Year		1,232,412,777	
- Total Shareholders' Equity & Net Profit		4,298,866,576	3,039,882,343
Total Liabilities & Shareholders' Equity		47,521,040,172	37,422,495,623
Contingent & Commitments Liabilities	(22)	11,529,010,709	6,864,843,585

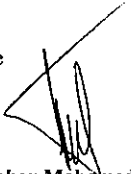
- The Accompanying Notes are an integral part of the Financial Statements " Auditors Report Attached " .

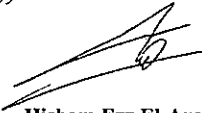

Sahar Mohamed El-Sallab
Vice Chairman
& Managing Director


Hisham Ezz El-Arab
Chairman
& Managing Director

Commercial International Bank (Egypt) S.A.E.
Income Statement Unconsolidated as of Dec. 31, 2007

	<u>Note No.</u>	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
		<u>EGP</u>	<u>EGP</u>
- Interest Received from Clients & Banks		2,592,817,080	1,749,822,089
- Interest Received from Treasury Bills & Bonds		400,845,143	567,945,991
<u>Deduct</u>			
- Interest Paid to Clients & Banks		(1,796,702,031)	(1,378,162,881)
Net Interest Income		1,196,960,192	939,605,199
- Banking Fees & Commissions		547,669,248	399,573,750
- Shares Dividends		66,158,925	47,206,917
- Foreign Exchange Profits	(23)	167,687,637	108,888,845
- Profits From Selling Financial Investments		174,061,817	145,447,016
- Profits From Dispose pat of Subsidiaries	(24)	148,393,558	-
- Trading Financial Investments Revaluation Differences		7,680,871	16,534,014
- Other Income		38,433,610	99,613,908
Total Fee Income		1,150,085,666	817,264,450
Net Operating Income		2,347,045,858	1,756,869,649
 <u>Deduct</u>			
- Provisions		(250,416,667)	(194,312,750)
- Other Financial Investments Revaluation Differences	(25)	4,185,378	(15,812,507)
- General & Administrative Expenses & Depreciation		(636,363,618)	(604,812,445)
- Other Expenses		(77,832,699)	(63,627,935)
		(960,427,606)	(878,565,637)
Net Operating Profits		1,386,618,252	878,304,012
- Non_Operating Income		1,269,870	418,000
Net Profit Before Tax		1,387,888,122	878,722,012
- Income Tax	(27)	(167,662,101)	(83,778,952)
- Deferred Tax	(27 & 26)	12,186,756	7,101,704
Net Profit After Tax		1,232,412,777	802,044,764
- Earning Per Share	(28)	5.59	3.64


Sahar Mohamed El-Sallab
 Vice Chairman
 & Managing Director


Hisham Ezz El-Arab
 Chairman
 & Managing Director

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

Cash flow Unconsolidated as of

Dec. 31, 2007

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Operating Activities</u>		
- Net Income before tax	1,387,888,122	878,722,012
<u>Adjustments To Reconcile Net Income</u>		
<u>To Net Cash Provided by operating activities</u>		
- Depreciation	120,918,839	93,436,004
- Provisions (Addition during the Year)	250,416,667	194,312,750
- Trading financial investments evaluation differences	(7,680,871)	(16,534,014)
- Other financial investments evaluation differences	(4,185,378)	15,812,507
- Utilization Of Provisions (except provision for doubtful debts)	-	(330,916,414)
- Provisions No Longer Used	(7,036,600)	-
- FCY revaluation Differences of Provisions Balances except doubtful debts	(1,904,981)	(333,197)
- Gains From Selling Fixed Assets	(1,269,870)	(418,000)
- Profit From Selling financial Investments	(174,061,817)	(145,447,016)
- Profits From Dispose part of a Subsidiary	(148,393,558)	-
- Income tax paid	(80,317,367)	(34,049,494)
- FCY revaluation diff.of Long Term Loans	1,733,674	1,928,090
- Reserve for employee stock ownership plan (ESOP)	29,159,584	
Operating Profits Before Changes in		
Operating Assets & Liabilities	1,365,266,444	656,513,228
<u>Net Decrease (Increase) in Assets</u>		
- Due From Banks	(7,960,703,701)	(1,983,839,488)
- Treasury Bills and other Notes Discountable at the CBE	2,266,818,190	(651,338,798)
- Trading financial Investments	306,349,739	968,521,368
- Available for sale financial investments	1,121,812,258	(865,453,240)
- Loans & Overdrafts	(3,054,288,046)	(3,591,677,947)
- Debit Balances & Other Assets	(198,443,941)	(351,932,559)
<u>Net Increase (Decrease) In Liabilities</u>		
- Due to Banks	1,164,558,315	492,844,016
- Customers Deposits	7,914,312,794	6,729,969,165
- Credit Balances & Other Liabilities	(150,080,573)	(231,362,804)
Net Cash Provided from Operating Activities	2,775,601,479	1,172,242,941

Commercial International Bank (Egypt) S.A.E.
Cash flow Unconsolidated as of
Dec. 31, 2007

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Investment Activities</u>		
- Sells (Purchases) Of subsidiaries & associated companies	107,524,396	(363,430,845)
- Prepaid for Fixed Assets , Premises and Fitting- out of Branches	(278,980,037)	(262,195,650)
- Redemption Of Held to maturity financial Investments	378,390,172	276,026,346
Net Cash (Used in)		
Investment Activities	206,934,531	(349,600,149)
 <u>Cash Flow From Financing Activities</u>		
- Increase in Long - Term Loans	60,455,684	(1,032,231)
- Dividends Paid	(287,235,147)	(200,165,754)
 Net Cash (Used in)		
Financing Activities	(226,779,463)	(201,197,985)
 Net cash & cash equivalent changes	2,755,756,547	621,444,808
 - Beginning Balance of cash & cash equivalent	4,023,396,001	3,401,951,193
 - Cash & Cash Equivalent Balance		
At the End of the year	6,779,152,548	4,023,396,001
 <u>Cash & Cash Equivalent are</u>		
<u>Represented as Follows :</u>		
- Cash and Due from Central Bank	4,953,205,430	3,742,876,516
- Due from Banks	13,782,062,043	5,432,677,413
- Treasury Bills and other Notes Discountable at the CBE	2,948,674,319	4,058,745,805
- Due from Banks (Time Deposits)	(13,264,218,534)	(5,303,514,833)
- Treasury Bills with maturity more than three months	(1,640,570,710)	(3,907,388,900)
 Total Cash & Cash Equivalent	6,779,152,548	4,023,396,001

Commercial International Bank (Egypt) S.A.E
Statement of changes in
Shareholders' Equity Unconsolidated as of
Dec. 31, 2007

2006	Capital	Legal Reserve	General Reserve	Special Reserve	Reserve for investment	Profits of the Year	Reserve for employee	Total
	EGP	EGP	EGP	EGP	Revaluation Diff.	EGP	stock ownership plan (ESOP) EGP	EGP
- Balance at beginning of The Year	1,300,000,000	331,128,634	723,775,555	162,709,903	9,646,006	-	-	2,527,260,098
- Capital Increase	650,000,000	-	(650,000,000)	-	-	-	-	-
- Transfer to reserves	-	40,102,238	474,707,379	-	-	(514,809,617)	-	-
- Distributed profits	-	-	-	-	-	(287,235,147)	-	(287,235,147)
- Net Profits of the year	-	-	-	-	-	802,044,764	-	802,044,764
- Usage part of reserve	-	-	-	-	(2,187,372)	-	-	(2,187,372)
Balance at the end of The Year	1,950,000,000	371,230,872	548,482,934	162,709,903	7,458,634	-	-	3,039,882,343
2007	Capital	Legal Reserve	General Reserve	Special Reserve	Reserve for investment	Profits of the Year	Reserve for employee	Total
	EGP	EGP	EGP	EGP	Revaluation Diff.	EGP	stock ownership plan (ESOP)* EGP	EGP
- Balance at beginning of The Year	1,950,000,000	371,230,872	548,482,934	162,709,903	7,458,634	-	-	3,039,882,343
- Usage part of reserve	-	-	-	-	(2,588,128)	-	-	(2,588,128)
- Net Profits of the Year	-	-	-	-	-	1,232,412,777	-	1,232,412,777
- Reserve for employee stock ownership plan (ESOP)	-	-	-	-	-	-	29,159,584	29,159,584
- Balance At The End Of The Year	1,950,000,000	371,230,872	548,482,934	162,709,903	4,870,506	1,232,412,777	29,159,584	4,298,866,576

* Refer to note number (29)

Commercial International Bank (Egypt)
Recommended Appropriation Account For 2007

	<u>2007</u>	<u>2006</u>
- Net Profit	1,232,412,777	802,044,764
- Profit Available For Distribution	<u>1,232,412,777</u> =====	<u>802,044,764</u> =====
<u>To Be Distributed As Follows :-</u>		
- Legal Reserve	61,620,639	40,102,238
- First Dividends Share to Shareholders	97,500,000	97,500,000
- Staff Profit Sharing	123,241,278	80,204,476
- Board Members Bonus	18,486,192	12,030,671
- Second Dividends Share to Shareholders	97,500,000	97,500,000
- General Reserve	834,064,668	474,707,379
Total	<u>1,232,412,777</u> =====	<u>802,044,764</u> =====

The Commercial International Bank (Egypt) S.A.E.
Notes To Unconsolidated Financial Statements
As of December 31, 2007

(1) Organization and Activities

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

(2) Significant Accounting Policies

A) Basis of Preparing Financial Statements

The Unconsolidated Financial Statement is prepared in accordance with Central Bank of Egypt Financial Statements regulations issued on 27 June 2002 and its adjustments . .

B) Transactions in Foreign Currencies

- The Accounting records of the bank are maintained in Egyptian pounds. Transactions in foreign currencies conducted during the year are recorded at the foreign exchange rates prevailing at the time such transactions take place .
Assets & Liabilities are revalued at the foreign exchange rates prevailing at the end of year , generated gain and losses are recorded in “Foreign Exchange Income“ in the income statement.
- Forward contracts are evaluated at the end of the financial year at its fair value on this date using the forward rates for the remaining periods until maturity dates of these contracts. The revaluation differences are recorded in “ Foreign Exchange Income “ in the income statement .
- Currency SWAP contracts are recorded on the date of commitment under contingent liabilities accounts . The difference between the two parts of the contract is recorded in other liabilities or other assets as unrealized gain /loss on the date of commitment . The said difference is amortized by crediting / debiting the “ Foreign Exchange Income“ in the income statement.

(2)

- Premium paid for foreign currencies option contracts is recorded in the Balance Sheet under “ Debit Balances & Other Assets “ such premium is settled in the unconsolidated income statement according to the evaluation of these contracts at fair value. The difference between premium received and paid concern the customers hedging option contracts recorded in the Balance Sheet under “ credit balances & other liabilities “ category and settled in “ foreign exchange income” on accrual basis.

C) Realization of Income

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

D) Treasury Bills

Treasury Bills are recorded at face value. The issuance discount is recorded in Other Liabilities and deducted from the Gross Treasury Bills balance on the Balance Sheet .

E) Repos & (Reverse Repos)Transactions

Repos (Reverse Repos) transactions are eliminated (recorded) on the Unconsolidated Balance Sheet under “ Treasury Bills and Other Notes Discountable at the CBE “ whereas its cost (revenue) is recorded on the income statement mate term “interest paid to clients & Banks“ (“interest received from treasury Bills & Bonds “)

F) Evaluation of Trading Investments

- Trading investments including portfolios managed by other party are evaluated at the end of the financial year at its fair market value and the evaluation difference is recorded in income statement .
- Trading investments not satisfying the trading investment classification condition are evaluated at their book value. Such value is subject to be reduced in case of a continual decrease based on the comprehensive objective study of the latest unconsolidated financial statements for the company issued the securities. The evaluation difference is recorded in the income statement.

(3)

- Mutual fund certificates which have issued by the bank are evaluated at the end of the financial period at their fair market value and the evaluation difference is recorded in income statement.

G) Evaluation of Available for Sale Investments

Available for Sale Investments are evaluated at the lower of cost (taking in consideration the evaluation of Foreign Currency) or fair value for each investment and the differences are recorded in “other investments evaluation differences “ in Income Statement .

In case of increase in the value , such increase is added to the same category within the limit of amounts previously charged to income statement for previous financial periods .

Except the difference related to prior years which up to the end of the year 2002 should be recorded as a special reserve in shareholders’ equity . In case of decreases in the investment value its share in the special reserve will be utilized , and the remaining balance should be transferred to income statement .

In case of selling the investment, it’s share in the special reserve should be transferred to income statement .

H) Evaluation of Held to Maturity Investments

Bonds purchased from the primary market are evaluated at cost, representing the nominal value adjusted by the issuing premium/ discount which is amortized using the straight line method. The amortization value is recorded in the interest received from treasury bills and bonds in the income statement .

The same treatment is applied to bonds purchased from the secondary market at a value higher or lower than the nominal value, and the cost is reduced by the gains related to the previous period of the purchasing date .

In case of downfall of the fair value of each bond the book value shall be adjusted and the difference is recorded in “other investments revaluation difference” in the unconsolidated income statement . In case of increase in fair value such increase is added to the same category within the limit of amounts previously charged to the income statement for previous financial periods.

The book value of foreign currency bonds is amended by the difference resulting from the revaluation of the foreign currency at the exchange rate prevailing at the evaluation date. Such differences are recorded in foreign exchange income in the income statement .

(4)

- Mutual fund certificates which must be held till maturity date as the bank is the issuer, are evaluated at cost and in case of downfall of its fair value the book value is adjusted by such downfall and charged to “Other Investments Revaluation Difference” in the unconsolidated income statement. In case of an increase in the fair value. Such increase will be added to the same category in the income statement within the limit of the amounts previously charged.

I) Investments in Subsidiaries and Associated Companies

These investments are evaluated at cost and in case of downfall of its fair value, the book value of each investment is adjusted by such downfall and charged to “Other investments evaluation difference” in the income statement. In the case of an increase in the fair value. Such increase will be added to the same category in the income statement within the limit of the amounts previously charged .

J) Assets Acquired for settlement of Debts

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

K) Provision for Doubtful Debts and Contra Accounts

Provision For Doubtful Debts is established on the basis of an appraisal of the identified risk for specific facilities and loans in addition to one to five percent for General risk based on the risk inherent in any loan portfolio which is not specifically identified.

Provision for Doubtful Debts is decreased by loans written off and is increased by recoveries of loans previously written off. In addition to taking all the necessary legal action required, a continuous follow up is performed for the recovery of all or part of the written-off amounts.

L) Contingent Liability Accounts

Contingent Liability Accounts include transactions in which the Bank is involved as a third party, forward foreign exchange contracts, SWAP transaction, Option. Such transactions do not represent actual bank’s assets or liabilities at the Balance Sheet date.

M) Cash & Cash Equivalent

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

N) Depreciation and Amortization

Depreciation of Fixed Assets (Except the land) is calculated on the basis of the estimated useful life of each asset using the straight-line method.

Improvement and renovation expenses for the bank's leased premises are amortized over the period of the lease contract or the estimated useful life whichever is lower.

O) Income Tax

Income Tax on the profit or loss for the year comprises current and deferred tax is recognized in the Income statement .

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date .

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes . The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities , using tax rates enacted or substantively enacted at the balance sheet date .

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized . Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(3) Financial Instruments and their risk management

(3/1) Financial Instruments

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

(6)

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

B) Financial Instruments Fair Value

Using the valuation basis of the bank's assets and liabilities, as referred to the notes to the Unconsolidated Financial Statements, the financial instruments' fair value do not substantially deviate from their book values at the Balance Sheet date. The notes No. (8),(11),(12) are showing the fair value for all investment (except Trading Investment) in the date of unconsolidated financial statement .

C) Forward Contract

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

(3/2) **Risk Management**

A) Interest rate risk

The value of some financial instruments fluctuate due to the fluctuation in interest rates related thereto. The bank follows some procedures to minimize this risk such as:-

- Correlating between the interest rates on borrowing and lending.
- Determining interest rates in consideration with the prevailing discount rates on various currencies.
- Monitoring the maturities of financial assets and liabilities with its related interest rates.

The notes No. (30 & 31) of the notes to the Unconsolidated Financial Statements disclose maturities of the assets and liabilities and the average interest rates applied to assets and liabilities during the year .

B) **Credit risk**

Loans to customers and Banks ,financial Investments (Bonds), due from banks, rights and obligations from others, are financial assets exposed to credit risk which result in these parties' inability to repay in part or in full the loan granted to them at maturity.

The bank adopted the following procedures to minimize the credit risk.

- Preparing credit studies about the customers before dealing with them and determining credit risk rates related thereto .
- Obtaining adequate guarantees to reduce the risks resulting from insolvency of customers.
- Monitoring and preparing periodic studies about customers in order to evaluate their financial and credit positions and estimate the required provisions for non - performing loans.
- Distribution of loans portfolio and due from banks over various sectors to avoid concentration of risk.

Note No. (33) discloses the distribution of loans portfolio over various sectors.

C) **Foreign Currency Risk**

The nature of the bank's activity requires the bank to deal in many foreign currencies which exposes the bank to the risk of fluctuation in exchange rates. To minimize this risk, the bank monitors the balancing of foreign currency positions according to Central Bank of Egypt instructions in that respect. Note No. (34) of the unconsolidated financial statements discloses significant foreign currency positions at the Balance Sheet date.

(8)

4- Cash And Due From Central Bank

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- Cash & Cash Items	1,081,319,202	684,845,076
- Reserve Balance with CBE		
(A) Current Accounts	1,996,073,908	1,489,221,888
(B) Time Deposits	1,875,812,320	1,568,809,552
Total Cash & Due From Central Bank	<u>4,953,205,430</u>	<u>3,742,876,516</u>

5- Due from Banks

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
(A) Central Bank		
- Time Deposits	7,391,521,850	120,102,850
- Total Due from central bank	<u>7,391,521,850</u>	<u>120,102,850</u>
(B) Local Banks		
- Current Accounts	8,788,772	14,364,909
- Time Deposits	155,000,000	85,620,000
Total Due from Local Banks	<u>163,788,772</u>	<u>99,984,909</u>
(C) Foreign Banks		
- Current Accounts	509,054,737	114,797,671
- Time Deposits	5,717,696,684	5,097,791,983
Total Due From Foreign Banks	<u>6,226,751,421</u>	<u>5,212,589,654</u>
Total Due From Banks	<u>13,782,062,043</u>	<u>5,432,677,413</u>

6- Treasury Bills and other Governmental Notes Discountable At the CBE

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- CBE CD'S	-	3,315,000,000
- 91 Days Maturity	1,313,750,000	152,950,000
- 182 Days Maturity	748,800,000	137,150,000
- 364 Days Maturity	970,750,000	544,825,000
	<u>3,033,300,000</u>	<u>4,149,925,000</u>
- Issuance Discount	(84,625,681)	(91,179,195)
Total	<u>2,948,674,319</u>	<u>4,058,745,805</u>

7- Trading Financial Investments

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- Portfolio Managed By Other Parties	64,370,759	478,500,215
- Mutual Funds	371,832,610	239,839,987
- Bonds	51,603,627	95,195,095
- Shares	100,666,274	73,606,841
	<hr/>	<hr/>
Total Trading Financial Investments	<u>588,473,270</u>	<u>887,142,138</u>

The Financial Trading Investments are represented as follows :-

- Financial Investments listed in Stock Exchange	216,640,660	647,302,151
- Financial Investments Unlisted in Stock Exchange	371,832,610	239,839,987
	<hr/>	<hr/>
	<u>588,473,270</u>	<u>887,142,138</u>

8- Available for Sale Financial Investments

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
(A) <u>Shares</u>		
- Bank's Shares	5,031	11,046,621
- Corporate Shares	837,747,721	1,108,735,974
(B) <u>Bonds</u>		
- Governmental Bonds	855,848,389	1,477,526,784
- Bank's Bonds	103,065,708	85,321,689
- Corporate Bonds	586,325,158	495,532,444
	<hr/>	<hr/>
	<u>2,382,992,007</u>	<u>3,178,163,512</u>

Available for sale financial investments are represented as follows :-

- Financial Investments listed in Stock Exchange	1,301,157,343	1,941,629,448
- Financial Investments unlisted in Stock Exchange	1,081,834,664	1,236,534,064
	<hr/>	<hr/>
	<u>2,382,992,007</u>	<u>3,178,163,512</u>

- The market Value of Available for sale Investments listed in the Capital market reached EGP 1,617,946,351 On Dec. 31, 2007, compared to EGP 2,288,247,619 on December 31, 2006

9- Loans and Overdrafts

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- Discounted Bills	369,367,153	345,178,132
- Loans & Overdrafts to Customer	20,979,609,432	17,719,608,802
- Loans & Overdraft to Banks	398,371,745	652,533,908
	<u>21,747,348,330</u>	<u>18,717,320,842</u>
- Unearned Bills discount	(33,299,487)	(6,134,160)
- Provision For Doubtful Debts	(1,089,969,238)	(1,038,908,021)
- Unearned Interest & commission	(248,554,472)	(207,602,806)
Net Loans & Overdrafts	<u><u>20,375,525,133</u></u>	<u><u>17,464,675,855</u></u>

10- Provision For Doubtful Debts

	<u>Dec. 31, 2007</u>		
	<u>Specific</u>	<u>General</u>	<u>Total</u>
	EGP	EGP	EGP
- Balance at beginning of the Year	551,958,000	486,950,021	1,038,908,021
- Addition during the Year	91,524,201	101,480,050	193,004,251
- written off debts recoveries	44,472,711	-	44,472,711
- Foreign currency revaluation diff.	(8,580,249)	-	(8,580,249)
	<u>679,374,663</u>	<u>588,430,071</u>	<u>1,267,804,734</u>
- Usage during the Year	(177,835,496)	-	(177,835,496)
- Transferred from specific to general	(10,008,945)	10,008,945	-
Balance at the end of the Year	<u><u>491,530,222</u></u>	<u><u>598,439,016</u></u>	<u><u>1,089,969,238</u></u>

	<u>Dec. 31, 2006</u>		
	<u>Specific</u>	<u>General</u>	<u>Total</u>
	EGP	EGP	EGP
- Balance at beginning of the year	583,672,503	365,228,009	948,900,512
- Addition during the year	53,833,428	121,722,012	175,555,440
- written off debts recoveries	100,062,106	-	100,062,106
- Foreign currency revaluation diff.	(1,264,639)	-	(1,264,639)
	<u>736,303,398</u>	<u>486,950,021</u>	<u>1,223,253,419</u>
- Usage during the Year	(228,447,476)	-	(228,447,476)
- Transferred from provision of contingent liability	44,102,078	-	44,102,078
Balance at the end of the Year	<u><u>551,958,000</u></u>	<u><u>486,950,021</u></u>	<u><u>1,038,908,021</u></u>

11- Held to maturity Financial Investments

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	EGP	EGP
A- Bonds		
- Housing Bonds (maturity Dec.2019)	215,000	215,000
- Corporate Bonds	411,179,166	789,569,338
- Treasury Bonds	-	-
B- Mutual Funds		
- 250,000 Osoul Fund Certificates with market value LE 126.17 per certificate	25,000,000	25,000,000
- 50,000 Istethmar Fund Certificates with market value LE 139.87 per certificate	5,000,000	5,000,000
- 25,000 Aman Fund Certificates with market value LE 126.42 per certificate	2,500,000	2,500,000
	<u>443,894,166</u>	<u>822,284,338</u>
The held to maturity Financial Investments are represented as follows :-		
- Financial Investments listed in Stock Exchange	311,279,817	667,740,018
- Financial Investments Unlisted in Stock Exchange	132,614,349	154,544,320
	<u>443,894,166</u>	<u>822,284,338</u>

- The market value of Held to Maturity Financial Investments reached EGP 337,511,601 on 31 December ,2007
While reached EGP 672,356,231 on 31 December 2006

12- Financial Investments in Subsidiary and Associated Companies

	<u>Dec. 31, 2007</u>		<u>Dec. 31, 2006</u>	
	EGP	%	EGP	%
A- Subsidiary Companies:				
- Commercial International holding co. *	275,511,540	%50.09	368,390,000	%67
B- Associated Companies:				
- Contact for Cars Trading	31,000,000	%38.4	31,000,000	%38.4
- Commercial International life insurance co.	32,000,000	%40	32,000,000	%40
- Corplease co.	18,400,000	%40	12,240,000	%40
- Giro-Nil	-	-	12,390,000	%30
- Cotecna Trade Support	48,750	%40	48,750	%40
- Haykala For Investment	600,000	%40	600,000	%40
- Royal & Sun Alliance	-	-	10,872,000	%20
- Egypt Factors	3,763,646	%39	3,895,710	%39
- International. Co. for Appraisal & Collection.	400,000	%40	400,000	%40
- International Co. for Security & Services	4,000,000	%40	4,000,000	%40
	<u>365,723,936</u>		<u>475,836,460</u>	
The Financial Investments in subsidiary companies are represented as follows :-				
- Financial Investments listed in Stock Exchange	275,511,540		-	
- Financial Investments Unlisted in Stock Exchange	90,212,396		475,836,460	
	<u>365,723,936</u>		<u>475,836,460</u>	

- * According to the shareholders agreement dated 29. october 2006 :
- CIB share will be diluted to 47.5% after excuting of a shareholders swap.
 - The company is jointly controlled by CIB and other investores.

13- Capital Commitments (Financial Investments):

The capital commitments for the financial investments reached on the date of Financial position

EGP 251,673,787 as follows :-

	<u>Investments value</u> EGP	<u>Paid</u> EGP	<u>Remaining</u> EGP
- Available for sale Financial investments	424,746,619	184,608,711	240,137,908
- Financial Investments in subsidiaries co.	34,748,275	23,212,396	11,535,879

14- Debit Balances and Other Assets

	<u>Dec. 31, 2007</u> EGP	<u>Dec. 31, 2006</u> EGP
- Accrued Interest receivable	460,512,142	286,829,442
- Prepaid Expenses	52,588,918	28,645,872
- Advances for Purchase of Fixed Assets	204,554,366	154,574,895
- Assets Acquired for Settlement of Debts	29,361,646	78,927,129
- Accounts receivable & Other Assets	275,561,186	271,731,041
- Accrued Balances of Customers Loans *	241,625,336	252,458,000
	<u>1,264,203,594</u>	<u>1,073,166,379</u>
<u>Deduct</u>		
- Provision for General Risk & Risk Insurance **	(243,638,021)	(251,458,735)
Total Debit Balances and Other Assets	<u><u>1,020,565,573</u></u>	<u><u>821,707,644</u></u>

* These balances carried forward from previous year represent certain advances to customers that were made at one of the branches in violation of the bank's standard operating procedures, resulting in reclassifying these balances under "other debit balances".

Conservative provisions were adequately reallocated from other provisions to meet the relevant operation risk

** Refer to Note No. 20.

15- Fixed Assets (Net of Accumulated Depreciation)

(13)

As Of Dec. 31, 2007

	Land		Premises		IT		Vehicles		Fitting -Out		Machines & Equipment		Furniture & Furnishing		Total	
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP	
Opening Balance (3)	6,720,577		258,115,877		356,860,350		20,771,267		101,543,015		138,911,180		57,641,293		940,563,559	
Additional during the Year	53,065,483		40,084,315		49,336,578		-		38,100,824		30,502,405		19,180,831		230,270,436	
Closing Balance (1)	59,786,060		298,200,192		406,196,928		20,771,267		139,643,839		169,413,585		76,822,124		1,170,833,995	
Accu.Depreciation at beginning of the Year (4)	-		78,567,600		191,346,450		15,797,804		65,270,769		66,977,497		24,850,216		442,810,336	
Current Year Depreciation	-		12,822,074		56,607,110		2,000,669		23,583,789		16,762,757		9,142,440		120,918,839	
Accu.Depreciation at end of the Year (2)	-		91,389,674		247,953,560		17,798,473		88,854,558		83,740,254		33,992,656		563,729,175	
End of Year net assets (1-2)	59,786,060		206,810,518		158,243,368		2,972,794		50,789,281		85,673,331		42,829,468		607,104,820	
Beginning of Year net assets (3-4)	6,720,577		179,548,277		165,513,900		4,973,463		36,272,246		71,933,683		32,791,077		497,753,223	

Depreciation rates

%5

%20

%20

%33.3

%12.5

%10

- Net fixed assets value on the financial position date includes EGP

78,022,439 non registered assets while their registrations procedures are in process.

16- Due to Banks

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	EGP	EGP
(a) <u>Central Bank</u>		
- Current Accounts	80,028,494	20,044,409
- Time Deposits	2,012,792,500	867,616,000
Total Due to Central Bank	<u>2,092,820,994</u>	<u>887,660,409</u>
(b) <u>Local Banks</u>		
- Current Accounts	24,932,808	15,860,437
- Time Deposits	28,480,310	107,541,554
Total Due to Local Banks	<u>53,413,118</u>	<u>123,401,991</u>
(c) <u>Foreign Banks</u>		
- Current Accounts	199,834,891	201,260,025
- Time Deposits	31,013,432	201,695
Total Due to foreign Banks	<u>230,848,323</u>	<u>201,461,720</u>
Total Due to Banks	<u>2,377,082,435</u>	<u>1,212,524,120</u>

17- Customers' Deposits

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	EGP	EGP
- Demand Deposits	11,586,418,467	8,836,825,720
- Time & Notice Deposits	13,622,910,338	11,033,225,620
- Saving & Deposit Certificates	5,957,646,007	5,190,298,212
- Saving Deposits	6,517,256,544	5,349,962,762
- Other Deposits	1,830,308,636	1,189,914,884
Total Customer Deposits	<u>39,514,539,992</u>	<u>31,600,227,198</u>

(15)

18- Credit Balances and Other Liabilities

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	EGP	EGP
- Accrued Interest Payable	140,677,147	109,691,056
- Accrued Expenses	31,856,339	34,131,526
- Accounts Payable	387,694,032	569,480,973
- Income Tax	167,662,101	82,305,727
- Other Liabilities	45,972,518	48,025,294
Total Credit Balances And Other Liabilities	<u>773,862,137</u>	<u>843,634,576</u>

19- Long Term Loans

	<u>Rate</u>	<u>Maturity date</u>	<u>Maturing through</u>	<u>Balance as of</u>	<u>Balance as of</u>
	%		<u>next year</u>	<u>Dec-07</u>	<u>Dec-06</u>
- F.I.S.C.	7	3-5 years	40,125,600	40,565,200	-
- K.F.W	9-10.5	10 YEARS	4,733,269	15,195,955	9,461,379
- UNIDO	1	2011	2,866,393	8,038,908	10,483,577
- Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3-5 years	54,935,674	92,594,906	70,617,084
- Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3-5 years	10,000	10,000	30,000
- Social Fund	3 months T/D or 9% which more	2010	1,900,000	4,951,250	8,574,821
Total			<u>104,570,936</u>	<u>161,356,219</u>	<u>99,166,861</u>

20- Other Provisions

(16)

Dec. 31, 2007
EGP

	<u>Opening Balance</u>	<u>Addition During the Year</u>	<u>FCY Balance Reval. Difference</u>	<u>Usage During the Year</u>	<u>Transfer During the Year</u>	<u>Transferred To Debit Balances & Other Assets</u>	<u>Closing Balance</u>
- Provision for Income Tax claims	227,173,695	-	-	-	-	-	227,173,695
- Provision for Legal Claims	1,126,794	-	(3,676)	-	-	-	1,123,118
- Provision for contingent	111,524,889	57,412,416	(1,901,305)	-	-	-	167,036,000
Total Other Provisions	339,825,378	57,412,416	(1,904,981)	-	-	-	395,332,813

Dec. 31, 2006
EGP

	<u>Opening Balance</u>	<u>Addition During the Year</u>	<u>FCY Balance Reval. Difference</u>	<u>Usage During the Year</u>	<u>Transfer During the Year</u>	<u>Transferred To Debit Balances & Other Assets</u>	<u>Closing Balance</u>
- Provision for Income Tax claims	621,677,559	-	-	(329,503,864)	(65,000,000)	-	227,173,695
- Provision for Legal Claims	1,728,828	178,750	(8,604)	(772,180)	-	-	1,126,794
- Provision for contingent	138,878,000	17,073,560	(324,593)	-	(44,102,078)	-	111,524,889
- Provision for General risk *	161,835,372	1,505,000	-	-	65,000,000	(228,340,372)	-
- Provision for Bank Risk insurance *	23,880,238	-	(121,505)	(640,370)	-	(23,118,363)	-
Total Other Provisions	947,999,997	18,757,310	(454,702)	(330,916,414)	(44,102,078)	(251,458,735)	339,825,378

* These balances were reclassified under "other debit balances" to meet the possible loss of value in certain assets resulting from violation of the bank's standard operating procedures that were reclassified from "Loans to Customers". Please refer to clarification # 14 for further details.

21- Shareholders Equity**(a) Capital**

- The Authorized Capital reached EGP 5000 Million according to the Extraordinary General Assembly decision on 19,Mar,2006
- Issued and Paid - in capital reached to EGP 1950 Million divided to 195 Million shares with par value EGP 10 per each .
- The Extraordinary General Assembly approved in the meeting of June,26,2006 to Activate a motivating and rewarding program for the bank's employees & managers through employee share ownership plans (ESOPs) by issuing a maximum of 5% of issued and paid-in capital at par value ,through 5 years starting 31,Dec 2006 and delegated the Board of Directors to establish the rewarding terms & conditions and increase the paid in capital according to the program.

(b) Reserves

- According to the bank statues 5% of net profit is to increase legal reserve until reaches 50% of the bank's issued and paid -in capital
- Concurrence of Central Bank of Egypt for usage of Special Reserve is required .
- According to CBE regulations, a reserve has been formed for difference revaluation for financial investment (available for sale) in foreign currency for preceding years (up to 2002) , and this reserve is used in case of sale or decrease in the value of that investment , and the income statement will be carried with the difference according to the issued instruction for such matter .

22- Contingent & Commitments Liabilities

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	EGP	EGP
- Letters of Guarantee	8,710,811,993	5,636,795,144
- Letters of Credit (import & export)	2,233,007,892	865,777,545
- Customers Acceptances	616,046,795	418,344,500
- Forward Foreign Exchange contracts (bought)	2,315,808,497	1,353,283,099
- Forward Foreign Exchange contracts (sold)	(2,314,413,012)	(1,352,168,802)
- Swap Deals (bought)	2,031,770,686	1,048,742,044
- Swap Deals (sold)	(2,064,022,142)	(1,105,929,945)
- Option (bought)	4,040,915	60,744,244
- Option (sold)	(4,040,915)	(60,744,244)
Total	<u><u>11,529,010,709</u></u>	<u><u>6,864,843,585</u></u>

23- **Foreign Exchange Profits (losses)**

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- Profit from dealing with foreign currencies	155,304,325	103,752,327
- Profit (loss) of revaluation of Monetary assets and Liabilities *	13,024,355	3,094,818
- Profit (loss) of Forward deals revaluation	(841,440)	1,254,271
- Profit revaluation of options	200,397	787,429
Total	<u>167,687,637</u>	<u>108,888,845</u>

* Include an increase of EGP 29,843,292 due to the foreign currencies revaluation differences of the financial trading & available for sale investments by EGP 5,101,086 & EGP 24,742,206 respectively against decrease in financial investments revaluation differences' items in income statement .

24- **Profits From Selling Financial Investments in Subsidiaries**

- Include EGP 148,393,558 from selling 9,287,846 shares of CIB'S stake in CI.Holding Co.

25- **Other Financial investments revaluation differences**

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- Available for sale financial investments	4,185,378	(15,812,507)
Total	<u>4,185,378</u>	<u>(15,812,507)</u>

26- **Deferred tax assets and liabilities**

Assets (liabilities)

Assets (liabilities)

Dec. 31, 2007**Dec. 31, 2006**

Recognized deferred tax assets (liabilities)

EGP**EGP**

Deferred tax assets and liabilities are attributable to the following:

Deferred tax

- Fixed assets depreciation	(22,155,045)	(19,762,207)
- Other provisions(excluded loan loss & contingent liabilities and income tax provisions)	48,952,228	50,517,106
- Other items(other investments revaluation difference)	20,190,375	9,877,820
- Reserve for employee stock ownership plan (ESOP)	5,831,917	
Total deferred tax assets(liabilities)	<u>52,819,475</u>	<u>40,632,719</u>

27- Reconciliation of effective tax rate

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- Profit Before Tax	1,387,888,122	878,722,012
- Tax Rate	20%	20%
Income tax	<u>277,577,624</u>	<u>175,744,402</u>
Add / (Deduct)		
- Non-deductible expenses	(9,606,764)	9,773,223
- Tax exemptions	(139,463,112)	(127,760,292)
- Effect of provisions	26,967,598	18,919,914
Income tax	<u>155,475,345</u>	<u>76,677,248</u>
Effective tax rate	<u>11.20%</u>	<u>8.73%</u>

28- Earning per share

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>EGP</u>	<u>EGP</u>
- Net profit for the year	1,232,412,777	802,044,764
- Board member's bonus	(18,486,192)	(12,030,671)
- Staff profit sharing	<u>(123,241,278)</u>	<u>(80,204,476)</u>
- Shareholders' share in profits	1,090,685,308	709,809,616
- Number of shares	<u>195,000,000</u>	<u>195,000,000</u>
- Earning per share	5.59	3.64

29- Share-Based Payments:

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

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

	Number of Shares
Outstanding at the beginning of the period	-
Granted During the period	1,909,350
Forfeited during the period	-
Exercised during the period	-
Expired during the period	-
Outstanding at the end of the period	1,909,350
- The estimated fair value of the Equity instrument (Right to share) granted is EGP 45.82 .	
- Totaling LE 29,159,584 at the end of Dec. 2007	

30- Assets & Liabilities Maturities

<u>Assets</u>	<u>Maturity Within one year</u>	<u>Maturity Over One Year</u>
- Cash and Due from Central Bank	4,953,205,430	-
- Due from Banks	13,782,062,043	-
- Treasury Bills and other Notes Discountable at the CBE	3,033,300,000	-
- Trading Investments	588,473,270	-
- Available for sale investments	2,382,992,007	-
- Customers' Loans & Overdrafts	9,858,027,721	11,242,394,392
- Banks' Loans & Overdrafts	220,529	398,151,216
- Held to maturity Investments	-	443,894,166
- Investments in subsidiary companies	-	365,723,936
- Debit Balances and Other Assets	1,020,565,573	-
	<u>35,618,846,573</u>	<u>12,450,163,710</u>
 <u>Liabilities</u>		
- Due to Banks	2,377,082,435	-
- Customer Deposits	32,819,825,756	6,694,714,236
- Long Term Loans	104,570,936	56,785,283
- Credit Balances and Other Liabilities	773,862,137	-
	<u>36,075,341,263</u>	<u>6,751,499,520</u>

31- Interest Rate

- The average interest rates applied for Assets and Liabilities during the Year are 6.78 % & 3.91 % Respectively .

32- Tax Status

- The bank's corporate income tax position has been examined and settled with the Tax Authority from the start up of operations up to the end of year 1984.
- Corporate income tax for the years from 1985 up to 2000 were paid according to the Tax appeal Committee decision and the disputes are under discussion in the court of law .
- The bank's corporate income tax position has been examined and settled with the Tax Authority from 2001 up to 2002 .
- Corporate income tax for the years from 2003 up to 2004 were paid according to the internal Committee decision and the final settlement is under discussion with the tax appeal committee.
- The bank pays salary tax according to concerning domestic regulations and laws, and the disputes are under discussion in the court of law .
- The bank pay stamp duty tax according to concerning domestic regulations and laws, and the disputes are under discussion in the court of law .

33- Distribution of Assets, Liabilities and Contingent Accounts

<u>Assets</u>	<u>Local Currency</u>	<u>Foreign Currency</u>
1- Due From Banks	<u>7,555,310,622</u>	<u>6,226,751,421</u>
2- Loans & Overdrafts		%
Agriculture Sector	61,593,282	.3
Industrial Sector	8,709,754,272	40.
Trading Sector	954,041,289	4.4
Services Sector	8,112,056,815	37.3
Household Sector	2,063,672,092	9.5
Other Sectors	1,846,230,580	8.5
Total Loans & Overdrafts (Including unearned interest)	<u>21,747,348,330</u>	<u>100</u>
Unearned Discounted Bills	(33,299,487)	
Provision for Doubtful Debts	(1,089,969,238)	5.0
Unearned Interest & Commission	(248,554,472)	
Net Loans & Overdrafts	<u>20,375,525,133</u>	
 <u>Liabilities</u>	 <u>Local Currency</u>	 <u>Foreign Currency</u>
1- Due to Banks	<u>49,339,486</u>	<u>2,327,742,949</u>
2- Customers' Deposits		%
Agriculture Sector	65,997,581	.2
Industrial Sector	5,142,043,546	13.
Trading Sector	2,414,487,913	6.1
Services Sector	7,661,870,572	19.4
Household Sector	20,526,954,379	51.9
Other Sector	3,703,186,002	9.4
Total Customers' Deposits	<u>39,514,539,993</u>	<u>100</u>
 <u>Contingent Accounts</u>	 <u>Local Currency</u>	 <u>Foreign Currency</u>
- Letters of Guarantee	2,684,248,902	6,026,563,091
- Letter of Credit (import & export)	21,925,488	2,211,082,404
- Customers Acceptances	103,283,915	512,762,880
- Forward Foreign Exchange contracts (bought)	298,533,897	2,017,274,600
- Forward Foreign Exchange contracts (sold)	(4,427,418)	(2,309,985,594)
- Swap Deals (bought)	-	2,031,770,686
- Swap Deals (sold)	(817,334,150)	(1,246,687,992)
- Option (bought)	-	4,040,915
- Option (sold)	-	(4,040,915)
	<u>2,286,230,634</u>	<u>9,242,780,075</u>

34- Main Currencies Positions

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
	<u>in thousand EGP</u>	<u>in thousand EGP</u>
- Egyptian Pound	(13,959)	5,550
- US Dollar	(56,955)	(54,691)
- Sterling pound	(389)	2,408
- Japanese Yen	(377)	27,721
- Swiss Franc	821	369
- Euro	14,449	14,894

35- Mutual Funds**(1) Osoul Fund**

- The bank established an accumulated return mutual fund under license no.331 issued from Capital Market Authority on 22/02/2005. CI Assets Management Co.- joint stock co - manages the fund.
- The number of certificates reached 57,068,881 with redeemed value LE 7,200,380,716.
- The market value per certificate reached EGP 126.17 on 29/12/2007.
- The Bank portion got 3,083,666 certificates with redeemed value EGP 389,066,139 .

(2) Istethmar Fund

- The bank established the second accumulated return mutual fund under license no.344 issued from Capital Market Authority on 26/02/2006. CI Assets Management Co.- joint stock co - manages the fund.
- The number of certificates reached 2,257,365 with redeemed value LE 315,737,643.
- The market value per certificate reached EGP 139.87 on 29/12/2007.
- The Bank portion got 115,132 certificates with redeemed value EGP 16,103,513.

(3) Aman Fund (CIB & Faisal Islamic Bank Mutual Fund)

- The bank & Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from Capital Market Authority on 30/07/2006. CI Assets Management Co.- joint stock co - manages the fund.
- The number of certificates reached 1,021,976 with redeemed value LE 129,198,206.
- The market value per certificate reached EGP 126.42 on 29/12/2007.
- The Bank portion got 26,571 certificates with redeemed value EGP 3,359,106.

36- Transactions With Related Parties

All Banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

EGP

Due from Banks	-
Loans & Overdrafts	499,579,973
Investment in subsidiary companies	365,723,936
Due to banks	-
Customer Deposits	171,610,151
Contingent Accounts	25,000,000

IncomeExpences

- Contact Co.	16,823,303.12	983,078.53
- International Co. for Security & Services	983,078.53	3,033,819
- International. Co. for Appraisal & Collection.	-	566,161.67
- Corplease co.	54,969,523.64	10,051,223.24
- Commercial International life insurance co.	860,674.26	3,170,677.27
- Commercial International Brokerage co.	1,270,906	2,602,489

37- Comparative Figures

The Comparative Figures are amended to confirm with the reclassification of the current Year and General Assembly held in 19th of March, 2007 decisions, For ratifying the Appropriation account of year 2006.