

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

**Consolidated
Financial Position**
As of March 31st, 2008



Hazem Hassan

Public Accountants & Consultants

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

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

Review Report

To the Board of Directors of Commercial International Bank

We have reviewed the accompanying consolidated financial position of Commercial International Bank (S.A.E.) as of March 31, 2008 and the related consolidated statements of income , cash flow and statement of changes in equity for the financial period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Egyptian Auditing Standard applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquires of Bank's personnel and analytical procedures applied for financial data, and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

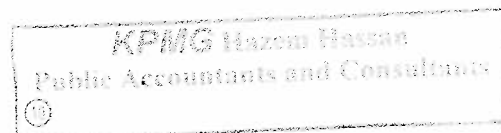
Based on our review, nothing come to our attention that cause us to believe that the consolidated financial statements of Commercial International Bank for the period ended March 31, 2008 contain material or significant adjustments that are required to be made so as to make them in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the financial statements, issued on June 27, 2002 and its ammendments.

Ehab Fawzy Akl

KPMG Hazem Hassan

Public Accountants & Consultants


Cairo, 12 May , 2008.

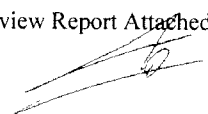


Commercial International Bank (Egypt) S.A.E.
Consolidated Financial Position as of
Mar. 31, 2008

	<u>Note No.</u>	<u>Mar. 31, 2008</u> EGP	<u>Dec. 31, 2007</u> EGP
<u>Assets</u>			
- Cash & Due From Central Bank	(4)	6,434,125,884	4,953,205,430
- Due From Banks	(5)	19,996,211,940	13,883,232,504
- Treasury Bills and other Notes Discountable at the CBE	(6)	2,982,220,428	2,951,621,063
- Trading Financial Investments	(7)	647,963,821	683,832,861
- Available for Sale Financial Investments	(8)	2,289,025,505	2,286,201,567
- Brokers - Debit Balances		154,646,728	122,917,170
- Reconciliation accounts- Debit Balances		18,913,288	21,108,870
- Loans & Overdrafts (Net Of Provision for Doubtful Debts)	(9&10)	23,377,274,868	20,478,590,841
- Held to Maturity Financial Investments	(11)	298,645,419	443,894,166
- Financial Investments in Associated Co.	(12)	59,671,619	90,714,548
- Debit Balances & Other Assets	(14)	1,172,563,794	1,035,176,214
- Goodwill	(15)	140,613,801	140,613,801
- Deferred Tax	(28)	17,389,793	51,900,192
- Fixed Assets (Net)	(16)	612,776,098	620,238,883
- Total Assets		<u>58,202,042,986</u>	<u>47,763,248,110</u>
<u>Liabilities & Shareholder's Equity</u>			
<u>Liabilities</u>			
- Due to Banks	(17)	3,975,555,628	2,378,613,378
- Customers Deposits	(18)	47,893,344,299	39,476,052,841
- Brokers- Credit Balances		265,267,802	162,358,363
- Reconciliation accounts - Credit Balances		-	1,292,008
- Credit Balances & Other Liabilities	(19)	1,026,116,643	798,437,294
- Long Term Loans	(20)	169,099,542	161,356,219
- Other Provisions	(21)	423,136,268	397,924,539
Total Liabilities		<u>53,752,520,182</u>	<u>43,376,034,642</u>
<u>Shareholders' Equity</u>			
- Issued & Paid - in Capital		1,950,000,000	1,950,000,000
- Reserves		2,012,579,061	1,117,015,371
- Reserve for employee stock ownership plan (ESOP)	(31)	42,952,065	29,159,584
- Minority Interest		3,197,500	5,263,160
Total Shareholders' Equity	(22)	<u>4,008,728,626</u>	<u>3,101,438,115</u>
- Net Profit of the Period		440,794,178	1,285,775,353
- Total Shareholders' Equity & Net Profit		<u>4,449,522,804</u>	<u>4,387,213,468</u>
Total Liabilities & Shareholders' Equity		<u>58,202,042,986</u>	<u>47,763,248,110</u>
Contingent & Commitments Liabilities	(23)	<u>13,515,361,434</u>	<u>11,528,985,664</u>

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


Sahar Mohamed El-Sallab
Vice Chairman
& Managing Director


Hisham Ezz El-Arab
Chairman
& Managing Director

Commercial International Bank (Egypt) S.A.E.
Consolidated Income Statement as of Mar. 31, 2008

	<u>Note No.</u>	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
		<u>EGP</u>	<u>EGP</u>
- Interest Received from Clients & Banks		782,348,512	544,359,002
- Interest Received from Treasury Bills & Bonds		83,937,557	144,553,542
<u>Deduct</u>			
- Interest Paid to Clients & Banks		(450,945,818)	(433,627,781)
Net Interest Income		415,340,251	255,284,763
- Banking Fees & Commissions		231,954,375	160,338,616
- Shares Dividends		57,717,187	20,008,074
- Foreign Exchange Profits	(24)	70,103,446	21,528,252
- Profits From Selling Financial Investments		8,020,930	31,366,737
- Profits From Dispose part of Subsidiaries	(25)	50,258,991	-
- Trading Financial Investments Reevaluation Differences		6,573,629	(1,855,885)
- Provisions No Longer Used	(26)	94,769,646	-
- Other Income		7,646,709	9,899,031
Total Fee Income		527,044,913	241,284,825
Net Operating Income		942,385,164	496,569,588
<u>Deduct</u>			
- Provisions		(163,354,750)	(81,875,225)
- Other Financial Investments Revaluation Differences	(27)	(39,596,737)	31,939,236
- General & Administrative Expenses & Depreciation		(204,464,563)	(135,552,573)
- Other Expenses		(28,761,626)	(18,295,197)
		(436,177,677)	(203,783,759)
Net Operating Profits		506,207,487	292,785,829
- Non_Operating Income		29,523	-
Net Profit Before Tax		506,237,010	292,785,829
- Income Tax	(29)	(29,849,685)	(26,593,018)
- Deferred Tax	(29 & 28)	(34,829,987)	791,975
Net Profit After Tax		441,557,338	266,984,786
<u>Distribute by</u>			
- Minority Interest		763,160	701,928
- CIB Shareholders' Equity		440,794,178	266,282,858
- Earning Per Share	(30)	2.00	1.21



Sahar Mohamed El-Sallab
Vice Chairman
& Managing Director



Hisham Ezz El-Arab
Chairman
& Managing Director

Commercial International Bank (Egypt) S.A.E.
Consolidated Cash flow as of
Mar. 31, 2008

	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Operating Activities</u>		
- Net Income before tax	506,237,010	292,785,829
<u>Adjustments To Reconcile Net Income</u>		
<u>To Net Cash Provided by operating activities</u>		
- Depreciation	32,711,421	28,426,051
- Provisions (Addition during the Period)	163,354,750	81,875,225
- Trading financial investments evaluation differences	(6,573,629)	1,855,885
- Other financial investments evaluation differences	39,596,737	(31,939,236)
- Utilization Of Provisions	(504,570)	-
(except provision for doubtful debts)		
- Provisions No Longer Used	(94,769,646)	-
- FCY reevaluation Differences of Provisions Balances except doubtful debts	(619,241)	(112,232)
- Gains From Selling Fixed Assets	(29,523)	-
- Profit From Selling financial Investments	(8,020,930)	(28,856,813)
- Profits From Dispose part of Subsidiaries	(50,258,991)	-
- FCY reevaluation diff.of Long Term Loans	1,320,333	199,581
- Reserve for employee stock ownership plan (ESOP)	13,792,481	-
Operating Profits Before Changes in Operating Assets & Liabilities	596,236,202	344,234,290
<u>Net Decrease (Increase) in Assets</u>		
- Due From Banks	(6,430,655,979)	(613,996,981)
- Treasury Bills and other Notes Discountable at the CBE	(185,450,722)	1,672,676,608
- Trading financial Investments	42,442,669	(66,589,823)
- Available for sale financial investments	15,955,127	912,206,517
- Loans & Overdrafts	(3,090,458,189)	(1,373,678,203)
- Debit Balances & Other Assets	(84,320,207)	(443,647,267)
<u>Net Increase (Decrease) In Liabilities</u>		
- Due to Banks	1,596,942,250	(855,456,302)
- Customers Deposits	8,417,291,458	437,269,189
- Credit Balances & Other Liabilities	393,842,266	365,813,449
Net Cash Provided from Operating Activities	1,271,824,874	378,831,477

Commercial International Bank (Egypt) S.A.E.
Consolidated Cash flow as of
Mar. 31, 2008

	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Investment Activities</u>		
- Sells (Purchases) Of subsidiaries & associated companies	29,912,140	(144,987,792)
- Prepaid for Fixed Assets , Premises and Fitting- out of Branches	(53,088,579)	(96,834,856)
- Redemption Of Held to maturity financial Investments	145,248,747	267,114,852
Net Cash (Used in)		
Investment Activities	122,072,308	25,292,204
<u>Cash Flow From Financing Activities</u>		
- Increase in Long - Term Loans	6,422,990	(2,875,371)
- Dividends Paid	(391,927,618)	(287,235,147)
- Current Shareholders - Debit	-	75,305,921
Net Cash (Used in)		
Financing Activities	(385,504,628)	(214,804,597)
Net cash & cash equivalent changes	1,008,392,555	189,319,084
- Beginning Balance of cash & cash equivalent	6,879,374,080	4,346,645,260
- Cash & Cash Equivalent Balance		
At the End of the Period	7,887,766,635	4,535,964,344
<u>Cash & Cash Equivalent are</u>		
<u>Represented as Follows :</u>		
- Cash and Due from Central Bank	6,434,125,884	4,170,051,260
- Due from Banks	19,996,211,940	6,149,751,326
- Treasury Bills and other Notes Discountable at the CBE	2,982,220,428	2,385,578,737
- Due from Banks (Time Deposits)	(19,695,823,441)	(5,933,753,562)
- Treasury Bills with maturity more than three months	(1,828,968,176)	(2,235,663,417)
Total Cash & Cash Equivalent	7,887,766,635	4,535,964,344

Commercial International Bank (EGYPT) S.A.E
Consolidated Statement of changes in
Shareholders' Equity as of
Mar. 31, 2008

	<u>2007</u>									
	Capital EGP	Legal Reserve EGP	General Reserve EGP	Special Reserve EGP	Reserve for investment Revaluation Diff. EGP	Undivided Profit EGP	Profits of the Year EGP	Reserve for employee stock ownership plan (ESOP) EGP	Minority Interest EGP	Total EGP
- Balance at beginning of The Year	1,950,000,000	371,230,872	548,482,934	162,709,903	7,458,634	29,721,156	-	-	2,516,854	3,072,120,353
- Reserve for employee stock ownership plan (ESOP)*	-	-	-	-	-	-	29,159,584	29,159,584	-	29,159,584
- Net Profits of the year	-	-	-	-	-	-	1,285,775,353	-	-	1,285,775,353
- Usage part of reserve	-	-	-	-	(2,588,128)	-	-	-	-	(2,588,128)
- Minority Interest	-	-	-	-	-	-	-	-	-	-
- Balance at the end of The Year	1,950,000,000	371,230,872	548,482,934	162,709,903	4,870,506	29,721,156	1,285,775,353	29,159,584	2,746,306	4,387,213,468
<u>2008</u>										
	Capital EGP	Legal Reserve EGP	General Reserve EGP	Special Reserve EGP	Reserve for investment Revaluation Diff. EGP	Undivided Profit EGP	Profits of the Period EGP	Reserve for employee stock ownership plan (ESOP)* EGP	Minority Interest EGP	Total EGP
- Balance at beginning of The Period	1,950,000,000	371,230,872	548,482,934	162,709,903	4,870,506	29,721,156	1,285,775,353	29,159,584	5,263,160	4,387,213,468
- Transfer to reserves	-	63,965,356	834,064,668	-	-	-	(898,030,024)	-	-	-
- Net Profits of the Period	-	-	-	-	-	-	440,812,102	-	763,160	441,575,262
- Distributed profits	-	-	-	-	-	(1,335,545)	(387,763,253)	-	(2,428,820)	(391,927,618)
- Usage part of reserve	-	-	-	-	(1,130,789)	-	-	-	-	(1,130,789)
- Reserve for employee stock ownership plan (ESOP)*	-	-	-	-	-	-	-	13,792,481	-	13,792,481
- Balance At The End Of The Period	1,950,000,000	435,196,228	1,382,547,602	162,709,903	3,739,717	28,385,611	440,794,178	42,952,065	3,197,500	4,449,522,804

* Refer to note number (30)

The Commercial International Bank (Egypt) S.A.E. & Subsidiaries
Notes To the Consolidated Financial Statements
From January 1, 2008 To March 31,2008

(1) Organization and Activities

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

It 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 ninety five branches , in addition to forty two units.

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

It was formed as a joint stock company on April 9th, 2005 under the capital market law no. 95 for 1992 and its executive regulations. Financial register no. 166798 on April 4th, 2005 and the company has been licensed by the capital market authority to carry out its activities under license no. 333 on May 24th, 2006.

As of March 31st, 2007 the bank directly owns 36,839,000 shares represents 66,98% of CI Capital Holding company's capital . According to the shareholders' agreement dated October 10, 2006 effective April 2007 , it will be 50.09% .

As at Dec 31st, 2006 CI Capital Holding Co. directly owns the following shares in its subsidiaries:

<u>Company Name</u>	<u>No. of Shares</u>	<u>Ownership%</u>	<u>Indirectly Share%</u>
▪ CIBC Co.	539,880	89.98	45.07
▪ CI Assets Management	445,499	89.09	44.63
▪ Concept Co.	448,500	89.70	44.93
▪ In Search Co.	448,500	89.70	44.93
▪ Dynamic Brokerage Co.	3,392,000	99.91	50.04
▪ Blue Nile Co. for Consultant	50,000	100.00	0.09
▪ United Brokerage Co. – Dubai	5,000,000	49.00	24.54

(2) Significant Accounting Policies

A) Basis of Preparing Financial Statements

The Financial Statement is prepared in accordance with the Central Bank of Egypt's Financial Statement Regulations . And takes into consideration prevailing local laws and regulations.

B) Basis of consolidation

As CIB owns 50,09% of CI Capital holding which is a jointly control company between CIB and other investors , CIB management decided to follow the proportion method in preparing the consolidated Financial Statement with retroactive effect in 2006 .

The consolidated financial statements include assets and liabilities and results of operation of the Commercial International Bank- Egypt and its subsidiaries which are controlled by the bank . The basis of the consolidation are as follows:

(2)

- Dropping 50.09% from the balances of mutual deals between CIB and C.I. Capital Holding Co. .
- All intra- group balances and transactions have been eliminated
- Minority interest in the equity and results of operation of the subsidiaries controlled by the bank is shown as a separate item in the consolidated financial statements and is calculated based on their share in the assets and liabilities of the subsidiaries.

C) Transactions in Foreign Currencies

- The Accounting records of the bank are maintained in Egyptian pounds. Transactions in foreign currencies conducted during the financial period 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 financial period , generated gain and losses are recorded in “Foreign Exchange Income“ in the income statement.
- Forward contracts are evaluated at the end of the financial period 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.
- Premium paid for foreign currencies option contracts is recorded in the Balance Sheet under “ Debit Balances & Other Assets “ such premium is settled in the 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.

D) Realization of Income

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

E) Operating revenues in the holding company:

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

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

1- Mutual funds & investment portfolios management fees:

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

2- Performance fees:

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

F) Treasury Bills & Other Discountable Notes at CBE

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 financial position .

G) Repos & (Reverse Repos)Transactions

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

H) Evaluation of Trading Investments

- Trading investments including portfolios managed by other party are evaluated at the end of the financial period 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 financial statements for the company issued the securities. The evaluation difference is recorded in the income statement.
- 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 .

I) 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 .

J) 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 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 .

- 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 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 .

K) 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 . Also investments in jointly controlled companies are evaluated at cost .

L) 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 financial position 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 .

M) 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.

N) 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 financial position date.

O) 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.

P) 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.

Q) 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 financial position date.

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

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

L) Intangible Assets (goodwill)

The basis of calculation was executed primarily and temporarily at the end of the period using assets or liabilities or contingent liabilities balances for the acquired company .

(3) Financial Instruments and their risk management

(3/1) Financial Instruments

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

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

(7)

B) Financial Instruments Fair Value

Using the valuation basis of the bank's assets and liabilities, as referred to the notes to the Financial Statements, the financial instruments' fair value do not substantially deviate from their book values at the financial position date. The notes No. (8),(11),(12) are showing the fair value for all investment (except Trading Investment) in the date of 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. (32 & 33) of the notes to the Financial Statements disclose maturities of the assets and liabilities and the average interest rates applied to assets and liabilities during the period .

B) Credit risk

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

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

(8)

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

Note No. (35) discloses the distribution of loans portfolio over various sectors.

C) **Foreign Currency Risk**

The nature of the bank's activity requires the bank to deal in many foreign currencies which 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. (36) of the financial statements discloses significant foreign currency positions at the financial position date.

4- Cash And Due From Central Bank

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Cash & Cash Items	904,760,554	1,081,319,202
- Reserve Balance with CBE		
(A) Current Accounts	3,632,083,143	1,996,073,908
(B) Time Deposits	1,897,282,187	1,875,812,320
Total Cash & Due From Central Bank	<u><u>6,434,125,884</u></u>	<u><u>4,953,205,430</u></u>

5- Due from Banks

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
(A) <u>Central Bank</u>		
- Time Deposits	8,161,475,800	7,391,521,850
Total Due from central bank	<u><u>8,161,475,800</u></u>	<u><u>7,391,521,850</u></u>
(B) <u>Local Banks</u>		
- Current Accounts	116,126,753	109,010,305
- Time Deposits	400,746,755	155,948,928
Total Due from Local Banks	<u><u>516,873,508</u></u>	<u><u>264,959,233</u></u>
(C) <u>Foreign Banks</u>		
- Current Accounts	184,261,746	509,054,737
- Time Deposits	11,133,600,886	5,717,696,684
Total Due From Foreign Banks	<u><u>11,317,862,632</u></u>	<u><u>6,226,751,421</u></u>
Total Due From Banks	<u><u>19,996,211,940</u></u>	<u><u>13,883,232,504</u></u>

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

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- 91 Days Maturity	1,165,725,000	1,313,750,000
- 182 Days Maturity	725,055,445	751,830,445
- 364 Days Maturity	1,176,375,000	970,750,000
	<u>3,067,155,445</u>	<u>3,036,330,445</u>
- Issuance Discount	(84,935,017)	(84,709,382)
	<u><u>2,982,220,428</u></u>	<u><u>2,951,621,063</u></u>

7- Trading Financial Investments

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Portfolio Managed By Other Parties	39,700,187	64,370,759
- Mutual Funds	440,663,882	465,016,024
- Bonds	59,842,001	51,603,627
- Shares	107,757,751	102,842,451
Total Trading Financial Investments	<u>647,963,821</u>	<u>683,832,861</u>

The Financial Trading Investments are represented as follows :-

- Financial Investments listed in Stock Exchange	207,299,939	218,816,837
- Financial Investments Unlisted in Stock Exchange	440,663,882	465,016,024
	<u>647,963,821</u>	<u>683,832,861</u>

8- Available for Sale Financial Investments

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
(A) <u>Shares</u>		
- Bank's Shares	5,031	5,031
- Corporate Shares	802,460,552	844,022,989
(B) <u>Bonds</u>		
- Governmental Bonds	840,453,122	855,848,389
- Bank's Bonds	55,968,424	-
- Corporate Bonds	590,138,376	586,325,158
	<u>2,289,025,505</u>	<u>2,286,201,567</u>

Available for sale financial investments are represented as follows :-

- Financial Investments listed in Stock Exchange	1,332,563,335	1,301,157,343
- Financial Investments unlisted in Stock Exchange	956,462,170	985,044,224
	<u>2,289,025,505</u>	<u>2,286,201,567</u>

- The market Value of Available for sale Investments listed in the Capital market reached EGP 1,623,294,338 On March. 31, 2008, compared to EGP 1,617,946,351 on December 31,2007

(11)

9- **Loans and Overdrafts**

	Mar. 31, 2008	Dec. 31, 2007
	<u>EGP</u>	<u>EGP</u>
- Discounted Bills	514,196,585	369,367,153
- Loans & Overdrafts to Customer	23,952,990,855	20,979,609,432
- Loans & Overdraft to Banks	400,848,673	501,437,453
	<u>24,868,036,113</u>	<u>21,850,414,038</u>
- Unearned Bills discount	(54,449,455)	(33,299,487)
- Provision For Doubtful Debts	(1,232,558,829)	(1,089,969,238)
- Unearned Interest & commission	(203,752,961)	(248,554,472)
Net Loans & Overdrafts	<u><u>23,377,274,868</u></u>	<u><u>20,478,590,841</u></u>

10- **Provision For Doubtful Debts**

	Mar. 31, 2008		
	<u>Specific</u>	<u>General</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Balance at beginning of the Period	491,530,222	598,439,016	1,089,969,238
- Addition during the Period	53,927,000	83,133,750	137,060,750
- written off debts recoveries	7,947,826	-	7,947,826
- Foreign currency revaluation diff.	(2,403,429)	-	(2,403,429)
	551,001,619	681,572,766	1,232,574,385
- Usage during the Period	(15,556)	-	(15,556)
Balance at the end of the Period	<u><u>550,986,063</u></u>	<u><u>681,572,766</u></u>	<u><u>1,232,558,829</u></u>

	Dec. 31, 2007		
	<u>Specific</u>	<u>General</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- 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)
	679,374,663	588,430,071	1,267,804,734
- Usage during the Year	(177,835,496)	-	(177,835,496)
- Transferred from provision of contingent liability	(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>

11- Held to maturity Financial Investments

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	EGP	EGP
A- <u>Bonds</u>		
- Housing Bonds (maturity Dec.2019)	215,000	215,000
- Corporate Bonds	265,930,419	411,179,166
B- <u>Mutual Funds</u>		
- 250,000 Osoul Fund Certificates with market value LE 128.54 per certificate	25,000,000	25,000,000
- 50,000 Istethmar Fund Certificates with market value LE 147.72 per certificate	5,000,000	5,000,000
- 25,000 Aman Fund Certificates with market value LE 133.68 per certificate	2,500,000	2,500,000
	<u>298,645,419</u>	<u>443,894,166</u>

The held to maturity Financial Investments are represented as follows :-

- Financial Investments listed in Stock Exchange	117,023,142	311,279,817
- Financial Investments Unlisted in Stock Exchange	181,622,277	132,614,349
	<u>298,645,419</u>	<u>443,894,166</u>

- The market value of Held to Maturity Financial Investments reached EGP 90,860,003 on March 31 ,2008
While reached EGP 337,511,601 on December 31,2007

12- Financial Investments in Associated Companies

	<u>Mar. 31, 2008</u>		<u>Dec. 31, 2007</u>	
	EGP	%	EGP	%
- Contact for Cars Trading	-		31,000,000	38.4%
- Commercial International life insurance co.	32,000,000	40%	32,000,000	40%
- Corplease co.	18,400,000	40%	18,400,000	40%
- Cotecna Trade Support	48,750	%40	48,750	40%
- Haykala For Investment	601,252	47.5%	601,252	47.5%
- Egypt Factors	3,720,717	39%	3,763,646	39%
- International. Co. for Appraisal & Collection.	400,000	40%	400,000	40%
- International Co. for Security & Services	4,500,900	45%	4,500,900	45%
	<u>59,671,619</u>		<u>90,714,548</u>	

The Financial Investments in subsidiary companies are represented as follows :-

- Financial Investments listed in Stock Exchange	-	-
- Financial Investments Unlisted in Stock Exchange	59,671,619	90,714,548
	<u>59,671,619</u>	<u>90,714,548</u>

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

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

EGP 168,786,322 as follows :-

	<u>Investments value</u> EGP	<u>Paid</u> EGP	<u>Remaining</u> EGP
- Available for sale Financial investments	420,875,362	263,545,193	157,330,169
- Financial Investments in subsidiaries co.	34,625,620	23,169,467	11,456,153

14- **Debit Balances and Other Assets**

	<u>Mar. 31, 2008</u> EGP	<u>Dec. 31, 2007</u> EGP
- Accrued Interest receivable	614,132,851	460,502,319
- Prepaid Expenses	63,528,905	54,175,157
- Advances for Purchase of Fixed Assets	232,823,331	204,935,394
- Assets Acquired for Settlement of Debts *	84,075,058	29,361,646
- Accounts receivable & Other Assets	178,199,199	288,214,383
- Accrued Balances of Customers Loans **	10,804,450	241,625,336
	<u>1,183,563,794</u>	<u>1,278,814,235</u>
<u>Deduct</u>		
- Provision for General & Insurance Risk **	(11,000,000)	(243,638,021)
Total Debit Balances and Other Assets	<u>1,172,563,794</u>	<u>1,035,176,214</u>

* This include the value of premises that was not recorded under the bank's name by EGP 54,713,412 which were acquired against settlement of the debts mentioned above, in the same time the legal procedures are under process to register or sell these assets within the legal period.

** 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 for facilities policies, resulting in reclassifying these balances under "other debit balances" Conservative provisions were adequately reallocated from other provisions to meet the relevant operation risk

15- **Intangible Asstes (Goodwill)**

Represent 50.09% (CIB share) of the intangible assets results from CI capital holding Acquired 49% of united broker Co. Dubai on 17/12/2006 ,100% of Blue Nile Consultant Co. on 27/12/2006 and 99.91% of Dainamic Broker Co on 19/02/2007 .
The difference between the book value and the acquisition value of the assets, liabilities and Contingent Liabilities represent EGP 25,393,199 EGP 20,760,075 and EGP 234,569,028 consequently recorded as Goodwill

Net Fixed Assets (After Deduct Accumulated Depreciation)

(14)

As Of Mar. 31, 2008

	Land	Premises	IT	Vehicles	Fitting -Out	Machines & Equipment	Furniture & Furnishing	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Opening Balance (3)	63,793,260	298,200,192	411,172,560	22,528,515	139,643,839	170,801,325	80,961,492	1,187,101,183
Additional during the Period	-	6,138,000	1,774,601	343,106	5,375,972	9,986,333	2,726,320	26,344,332
Closing Balance (1)	63,793,260	304,338,192	412,947,161	22,871,621	145,019,811	180,787,658	83,687,812	1,213,445,515
Accu. Depreciation at beginning of the Period (4)	-	91,389,674	249,810,190	18,309,555	88,872,483	84,054,835	34,425,563	566,862,300
Current Period Depreciation	-	3,640,257	14,450,648	464,916	7,068,677	5,151,480	3,031,139	33,807,117
Accu. Depreciation at end of the Period (2)	-	95,029,931	264,260,838	18,774,471	95,941,160	89,206,315	37,456,702	600,669,417
End of Period net assets (1-2)	63,793,260	209,308,261	148,686,323	4,097,150	49,078,651	91,581,343	46,231,109	612,776,098
Beginning of Period net assets (3-4)	63,793,260	206,810,518	161,362,370	4,218,960	50,771,356	86,746,490	46,535,929	620,238,883

Depreciation rates

5%

20%

20%

33.3%

12.5%

10%

Net fixed assets value on the financial position date includes EGP

73,117,021

non registered assets while their registrations procedures are in process.

17- Due to Banks

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
(a) <u>Central Bank</u>		
- Current Accounts	101,303,690	80,028,494
- Time Deposits	2,780,316,000	2,012,792,500
Total Due to Central Bank	<u>2,881,619,690</u>	<u>2,092,820,994</u>
(b) <u>Local Banks</u>		
- Current Accounts	46,867,969	26,463,751
- Time Deposits	905,893	28,480,310
Total Due to Local Banks	<u>47,773,862</u>	<u>54,944,061</u>
(c) <u>Foreign Banks</u>		
- Current Accounts	1,016,103,203	199,834,891
- Time Deposits	30,058,873	31,013,432
Total Due to Foreign Banks	<u>1,046,162,076</u>	<u>230,848,323</u>
Total Due to Banks	<u><u>3,975,555,628</u></u>	<u><u>2,378,613,378</u></u>

18- Customers' Deposits

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Demand Deposits	12,726,331,008	11,566,831,688
- Time & Notice Deposits	19,179,285,078	13,612,928,991
- Saving & Deposit Certificates	6,489,928,737	5,948,726,982
- Saving Deposits	6,992,981,483	6,517,256,544
- Other Deposits	2,504,817,993	1,830,308,636
Total Customer Deposits	<u><u>47,893,344,299</u></u>	<u><u>39,476,052,841</u></u>

19- Credit Balances and Other Liabilities

	<u>Mar. 31, 2008</u> <u>EGP</u>	<u>Dec. 31, 2007</u> <u>EGP</u>
- Accrued Interest Payable	140,241,971	140,677,147
- Accrued Expenses	32,967,676	34,419,304
- Accounts Payable	832,918,662	576,182,550
- Due to Associated & Subsidiaries Companies	-	598,907
- Other Liabilities	19,988,334	46,559,386
Total Credit Balances And Other Liabilities	<u>1,026,116,643</u>	<u>798,437,294</u>

20- Long Term Loans

	<u>Rate</u> %	<u>Maturity date</u>	<u>Due through</u> <u>next year</u>	<u>Balance as of</u> <u>Mar-08</u>	<u>Balance as of</u> <u>Dec-07</u>
- F.I.S.C.	7	3-5 years	40,125,600	45,565,200	40,565,200
- K.F.W	9-10.5	10 YEARS	6,602,636	16,890,798	15,195,955
- UNIDO	1	2011	4,831,181	5,956,914	8,038,908
- Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3-5 years	70,834,489	96,210,380	92,594,906
- Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3-5 years	-	-	10,000
- Social Fund	3 months T/D or 9% which more	2010	1,560,000	4,476,250	4,951,250
Total			<u>123,953,906</u>	<u>169,099,542</u>	<u>161,356,219</u>

21- Other Provisions**Mar. 31, 2008****EGP**

	<u>Opening Balance</u>	<u>Addition During the Period</u>	<u>FCY Balance Reval. Difference</u>	<u>Usage During the Period</u>	<u>Closing Balance</u>
- Provision for Income Tax claims	229,690,518	-	-	(492,272)	229,198,246
- Provision for Legal Claims	1,123,118	-	(1,194)	(12,298)	1,109,626
- Provision for contingent	167,036,000	26,294,000	(618,047)	-	192,711,953
- Provision of end of service bonus	74,903	41,540			116,443
Total Other Provisions	397,924,539	26,335,540	(619,241)	(504,570)	423,136,268

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>Closing Balance</u>
- Provision for Income Tax claims	229,690,518	-	-	-	229,690,518
- 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
- Provision of end of service bonus	-	74,903	-	-	74,903
Total Other Provisions	342,342,201	57,487,319	(1,904,981)	-	397,924,539

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

- The Authorized Capital reached EGP 5000 Million according to the Extraordinary General Assembly decision on 19,Mar,2006
- Issued and Paid - in capital reached EGP 1950 Million divided in 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 standards 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 .

23- Contingent & Commitments Liabilities

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	EGP	EGP
- Letters of Guarantee	10,088,331,202	8,710,786,948
- Letters of Credit (import & export)	2,704,369,352	2,233,007,892
- Customers Acceptances	723,416,371	616,046,795
- Forward Foreign Exchange contracts (bought)	5,995,339,519	2,315,808,497
- Forward Foreign Exchange contracts (sold)	(5,991,576,451)	(2,314,413,012)
- Swap Deals (bought)	3,575,088,630	2,031,770,686
- Swap Deals (sold)	(3,579,607,189)	(2,064,022,142)
- Option (bought)	252,350,013	4,040,915
- Option (sold)	(252,350,013)	(4,040,915)
Total	13,515,361,434	11,528,985,664

24- Foreign Exchange Profits (losses)

	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Profit from dealing with foreign currencies	58,772,759	31,790,583
- Profit (loss) of revaluation of Monetary assets and Liabilities *	8,460,156	1,548,208
- Profit (loss) of Forward deals revaluation	2,525,838	(11,937,876)
- Profit revaluation of options	344,693	127,337
Total	<u><u>70,103,446</u></u>	<u><u>21,528,252</u></u>

* Include an increase of EGP 9,094,623 due to the foreign currencies revaluation differences of the financial trading & available for sale investments by EGP 737,507 & EGP 8,357,116 respectively against decrease in financial investments revaluation differences' items in income statement .

25- Profits From Selling Financial Investments in Subsidiaries

- The amount of EGP 50,258,991 from selling 3,099,500 shares of CIB'S stake in Contact Co.

26- Provisions No Longer Used

- Include EGP 94,395,171 represent the remaining balance of the General Risk and Insurance Provisions after the settlement of related debts.

27- Other Financial investments revaluation differences

	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Available for sale financial investments	(39,596,737)	31,939,236
Total	<u><u>(39,596,737)</u></u>	<u><u>31,939,236</u></u>

28- Deferred tax assets and liabilities

	<u>Assets (liabilities)</u>	<u>Assets (liabilities)</u>
	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
Recognized deferred tax assets (liabilities)		
Deferred tax assets and liabilities are attributable to the following:		
<u>Deferred tax</u>		
- Fixed assets depreciation	(20,974,215)	(23,074,328)
- Other provisions(excluded loan loss & contingent liabilities and income tax provisions)	2,421,925	48,952,228
- Other items(other investments revaluation difference)	27,351,670	20,190,375
- Reserve for employee stock ownership plan (ESOP)	8,590,413	5,831,917
Total deferred tax assets(liabilities)	<u><u>17,389,793</u></u>	<u><u>51,900,192</u></u>

29- Reconciliation of effective tax rate

	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
- Profit Before Tax	506,237,010	292,785,829
- Tax Rate	20%	20%
Income tax	<u>101,247,402</u>	<u>58,557,166</u>
Add / (Deduct)		
- Non-deductible expenses	966,717	(5,478,974)
- Tax exemptions	(36,636,355)	(30,736,873)
- Effect of provisions	(898,091)	3,459,725
Income tax	<u>64,679,672</u>	<u>25,801,044</u>
Effective tax rate	<u>12.78%</u>	<u>8.81%</u>

30- Earning per share

	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Net profit for the year	440,794,178	266,282,858
- Board member's bonus	(6,611,913)	(3,994,243)
- Staff profit sharing	(44,079,418)	(26,628,286)
- Shareholders' share in profits	390,102,847	235,660,329
- Number of shares	<u>195,000,000</u>	<u>195,000,000</u>
- Earning per share	2.00	1.21
* By issuance of ESOP shares earning per share will be:		
- Number of shares including ESOP shares	<u>198,021,432</u>	<u>196,909,350</u>
Diluted earning per share	1.97	1.20

31- 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	1,909,350
Granted During the period	1,194,932
Forfeited during the period	(82,850)
Exercised during the period	-
Expired during the period	-
Outstanding at the end of the period	3,021,432
- The estimated fair value of the Equity instrument granted to the first trench is EGP 45.82 .	
- The estimated fair value of the Equity instrument granted to the second trench is EGP 81.18 .	

32- Assets & Liabilities Maturities

<u>Assets</u>	<u>Maturity Within one year</u>	<u>Maturity Over One Year</u>
- Cash and Due from Central Bank	6,434,125,884	-
- Due from Banks	19,996,211,940	-
- Treasury Bills and other Notes Discountable at the CBE	3,067,155,445	-
- Trading Investments	647,963,821	-
- Available for sale investments	2,289,025,505	-
- Customers' Loans & Overdrafts	12,716,810,092	11,546,624,387
- Banks' Loans & Overdrafts	29,997	400,818,676
- Held to maturity Investments	26,163,141	272,482,278
- Investments in subsidiary companies	-	59,671,619
- Debit Balances and Other Assets	1,172,563,794	-
	<u>46,350,049,619</u>	<u>12,279,596,960</u>
<u>Liabilities</u>		
- Due to Banks	3,975,555,628	-
- Customer Deposits	41,213,659,990	6,679,684,309
- Long Term Loans	123,953,906	45,145,636
- Credit Balances and Other Liabilities	1,026,116,643	-
	<u>46,339,286,167</u>	<u>6,724,829,945</u>

33- Interest Rate

- The average interest rates applied for Assets and Liabilities during the Year are 6.78 % & 3.3 % Respectively .

34- Tax Status**(A) Commercial International Bank**

- The bank's corporate income tax position has been examined and settled with the Tax Authority from the start up of operations up to the end of year 1984.
- Corporate income tax for the years from 1985 up to 2000 were paid according to the Tax appeal Committee decision and the disputes are under discussion in the court of law .
- The bank's corporate income tax position has been examined and settled with the Tax Authority from 2001 up to 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 .

(B) CI Capital Holding Co.

- CI Capital Holding company was established on April 9,2005 according to the law # 95 for year 1992 & its regulations and as for taxation law the company goes under law # 91 for year 2005 & its regulations.
- The company did not receive any tax claim concerning income tax , salaries , and stamp duty .

35- Distribution of Assets, Liabilities and Contingent Accounts

<u>Assets</u>		
	<u>Local Currency</u>	<u>Foreign Currency</u>
1- Due From Banks	<u>8,678,349,308</u>	<u>11,317,862,632</u>
2- Loans & Overdrafts		%
Agriculture Sector	62,495,164	.3
Industrial Sector	9,296,649,258	37.4
Trading Sector	2,302,940,456	9
Services Sector	9,214,501,082	37.
Household Sector	2,170,037,397	8.7
Other Sectors	1,821,412,756	7.3
Total Loans & Overdrafts (Including unearned interest)	<u>24,868,036,113</u>	<u>100</u>
Unearned Discounted Bills	(54,449,455)	
Provision for Doubtful Debts	(1,232,558,829)	5.0
Unearned Interest & Commission	(203,752,961)	
Net Loans & Overdrafts	<u>23,377,274,868</u>	
<u>Liabilities</u>		
	<u>Local Currency</u>	<u>Foreign Currency</u>
1- Due to Banks	<u>82,111,015</u>	<u>3,893,444,613</u>
2- Customers' Deposits		%
Agriculture Sector	78,132,659	.2
Industrial Sector	5,142,076,474	10.7
Trading Sector	2,733,530,196	5.7
Services Sector	13,497,078,745	28.2
Household Sector	22,155,053,573	46.3
Other Sector	4,287,472,651	9.
Total Customers' Deposits	<u>47,893,344,298</u>	<u>100</u>
<u>Contingent Accounts</u>		
	<u>Local Currency</u>	<u>Foreign Currency</u>
- Letters of Guarantee	3,045,197,560	7,043,133,643
- Letter of Credit (import & export)	18,194,160	2,686,175,192
- Customers Acceptances	123,507,455	599,908,915
- Forward Foreign Exchange contracts (bought)	379,654,922	5,615,684,597
- Forward Foreign Exchange contracts (sold)	(117,281,486)	(5,874,294,965)
- Swap Deals (bought)	10,824,375	3,564,264,255
- Swap Deals (sold)	(683,953,400)	(2,895,653,789)
- Option (bought)	-	252,350,013
- Option (sold)	-	(252,350,013)
	<u>2,776,143,586</u>	<u>10,739,217,848</u>

36- Main Currencies Positions

	<u>Mar. 31, 2008</u>	<u>Dec. 31, 2007</u>
	<u>in thousand EGP</u>	<u>in thousand EGP</u>
- Egyptian Pound	(9,751)	(13,959)
- US Dollar	5,781	(56,955)
- Sterling pound	746	(389)
- Japanese Yen	(787)	(377)
- Swiss Franc	2,031	821
- Euro	(10,910)	14,449

37- 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 52,846,673 with redeemed value LE 6,792,911,347.
- The market value per certificate reached EGP 128.54 on 31/03/2008.
- The Bank portion got 2,841,666 certificates with redeemed value EGP 365,267,748 .

(2) Istethmar Fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from Capital Market Authority on 26/02/2006. CI Assets Management Co.- joint stock co - manages the fund.
- The number of certificates reached 3,320,904 with redeemed value LE 490,563,939.
- The market value per certificate reached EGP 147.72 on 31/03/2008.
- The Bank portion got 206,282 certificates with redeemed value EGP 30,471,977.

(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 1,043,793 with redeemed value LE 139,534,248.
- The market value per certificate reached EGP 133.68 on 31/03/2008.
- The Bank portion got 26,271 certificates with redeemed value EGP 3,511,907.

38- Transactions With Related Parties

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

	<u>EGP</u>	
Loans & Overdrafts	326,225,069	
Investment in subsidiary companies	59,671,619	
Customer Deposits	392,382,783	
Contingent Accounts	48,362,799	
	<u>Income</u>	<u>Expences</u>
- International Co. for Security & Services	222,523	7,934,223
- Corplease co.	13,851,344	168,117
- Commercial International life insurance co.	1,005,456	650,368