

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

**Unconsolidated
Financial Position**
As of June 30th , 2008

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

KPMG Hazem Hassan
Public Accountants & Consultants

Review Report

To the Board of Directors of Commercial International Bank

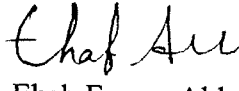
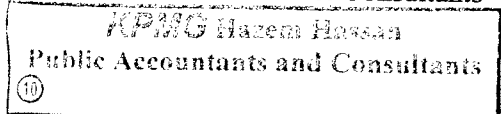
We have reviewed the accompanying unconsolidated financial position of Commercial International Bank (S.A.E.) as of June 30, 2008 and the related unconsolidated statements of income, cash flow and statement of changes in equity for the financial period then ended. These unconsolidated financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these unconsolidated 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 unconsolidated financial statements are free of material misstatement. A review is limited primarily to inquiries 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 has come to our attention that causes us to believe that the unconsolidated financial statements of Commercial International Bank for the period ended June 30, 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 amendments.

The financial information contained in the Board of Directors' report are in agreement with the bank's accounting records within the limit that such information is recorded therein.


Nabil Akram Istambouli
Capital Market Authority registration
number 37
Allied for Accounting & Auditing E&Y
A Member of
Public Accountants & Consultants
Ernst & Young Global
Cairo, 12 August 2008


Ehab Fawzy Akl
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KPMG Hazem Hassan
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Activities Report for the Period
from January 1st, 2008 to June 30, 2008

The following are the significant variances as of June 30, 2008 for the Balance Sheet compared to December 31st, 2007 and Income Statement compared to. June 30, 2007


	<u>June 30,2008</u>	<u>Dec. 31st,2007</u>	<u>Variance</u>
			<u>%</u>
1) <u>Balance Sheet</u>			
(Amounts in EGP Billion)			
- Total Assets	56.--	47.5	17.9
- Contingent & Commitments Liabilities	12.6	11.5	9.6
- Loans & Overdraft (Net)	24.2	20.5	18.-
- Investments	4.9	3.7	32.4
- Treasury Bills & Other notes discountable at the CBE	2.8	2.9	(3.4)
- Customers Deposits	45.6	39.5	15.4
- Other Provisions	0.4	0.4	---
- Total Shareholders 'Equity & Net Profit	4.9	4.--*	22.5
	<u>June 30,2008</u>	<u>June 30,2007</u>	<u>Variance</u>
			<u>%</u>
2) <u>Income Statement</u>			
(Amounts in EGP Million)			
- Interest Received	1,736.6	1,410.5	23.1
- Interest Paid	(911.4)	(877.4)	3.9
- Banking Fees & Commissions	960.8	605.6	58.7
- Net Profit After Tax	938.9	635.4	47.8

* Excluding 2007 cash dividends.

Commercial International Bank (Egypt) S.A.E.
Financial Position Unconsolidated as of
Jun. 30, 2008


	<u>Note No.</u>	<u>Jun. 30, 2008</u> <u>EGP</u>	<u>Dec. 31, 2007</u> <u>EGP</u>
<u>Assets</u>			
- Cash & Due From Central Bank	(4)	7,218,498,485	4,953,205,430
- Due From Banks	(5)	14,522,244,685	13,782,062,043
- Treasury Bills and other Notes Discountable at the CBE	(6)	2,776,871,582	2,948,674,319
- Trading Financial Investments	(7)	778,685,567	588,473,270
- Available for Sale Financial Investments	(8)	3,520,219,325	2,279,926,299
- Loans & Overdrafts (Net Of Provision for Doubtful Debts)	(9&10)	24,196,338,592	20,478,590,841
- Held to Maturity Financial Investments	(11)	286,853,806	443,894,166
- Financial Investments in Subsidiary and Associated Co.	(12)	345,159,835	365,723,936
- Debit Balances & Other Assets	(14)	1,725,390,609	1,020,565,573
- Deferred Tax	(27)	25,013,643	52,819,475
- Fixed Assets (Net)	(15)	605,340,809	607,104,820
- Total Assets		<u>56,000,616,938</u>	<u>47,521,040,172</u>
<u>Liabilities & Shareholder's Equity</u>			
<u>Liabilities</u>			
- Due to Banks	(16)	4,118,143,802	2,377,082,435
- Customers Deposits	(17)	45,617,890,899	39,514,539,992
- Dividends & Profit Sharing		-	336,727,470
- Credit Balances & Other Liabilities	(18)	794,569,372	773,862,137
- Long Term Loans	(19)	125,900,638	161,356,219
- Other Provisions	(20)	416,680,652	395,332,813
Total Liabilities		<u>51,073,185,363</u>	<u>43,558,901,066</u>
<u>Shareholders' Equity</u>			
- Issued & Paid - in Capital		1,950,000,000	1,950,000,000
- Reserves		1,005,541,430	1,982,979,522
- Reserve for employee stock ownership plan (ESOP)	(30)	58,009,830	29,159,584
- Capital Increase Reserve	(30)	975,000,000	-
Total Shareholders' Equity	(21)	<u>3,988,551,260</u>	<u>3,962,139,106</u>
- Net Profit of the Period		938,880,315	-
- Total Shareholders' Equity & Net Profit		4,927,431,575	3,962,139,106
Total Liabilities & Shareholders' Equity		<u>56,000,616,938</u>	<u>47,521,040,172</u>
Contingent & Commitments Liabilities	(22)	<u>12,633,488,278</u>	<u>11,529,010,709</u>

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


Hisham Ezz El-Arab
Chairman
& Managing Director

Commercial International Bank (Egypt) S.A.E.
Income Statement Unconsolidated as of Jun. 30, 2008

	Note No.	<u>Last 3 months</u>	<u>Last 6 months</u>	<u>Last 3 months</u>	<u>Last 6 months</u>
		<u>Jun. 30, 2008</u>	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>	<u>Jun. 30, 2007</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Interest Received from Clients & Banks		765,526,693	1,547,978,621	639,115,313	1,183,516,681
- Interest Received from Treasury Bills & Bonds		105,029,549	188,595,819	82,989,480	227,025,291
<u>Deduct</u>					
- Interest Paid to Clients & Banks		(461,147,276)	(911,376,754)	(444,058,840)	(877,427,969)
Net Interest Income		409,408,966	825,197,686	278,045,953	533,114,003
- Banking Fees & Commissions		170,478,977	363,336,660	143,962,929	282,332,402
- Shares Dividends		68,550,385	125,586,173	23,339,651	42,983,621
- Foreign Exchange Profits	(23)	93,767,262	163,656,658	43,895,584	65,320,283
- Profits From Selling Financial Investments		140,225,049	148,151,191	21,650,281	50,507,094
- Profits From Dispose part of Subsidiaries	(24)	-	50,258,991	148,393,558	148,393,558
- Trading Financial Investments Revaluation Differences		(21,595,229)	(15,280,544)	4,289,048	2,433,163
- Provisions No Longer Used	(25)	311,533	94,706,704	-	-
- Other Income		23,600,342	30,337,240	6,439,348	13,622,254
Total Fee Income		475,338,319	960,753,073	391,970,399	605,592,375
Net Operating Income		884,747,285	1,785,950,759	670,016,352	1,138,706,378
<u>Deduct</u>					
- Provisions		(1,400,636)	(164,755,386)	(65,750,000)	(147,500,000)
- Other Financial Investments Revaluation Differences	(26)	(48,009,116)	(87,605,853)	(13,203,203)	18,736,033
- General & Administrative Expenses & Depreciation		(219,657,962)	(407,082,773)	(153,022,913)	(277,733,312)
- Other Expenses		(27,320,832)	(55,055,061)	(20,012,135)	(38,307,332)
		(296,388,546)	(714,499,073)	(251,988,251)	(444,804,611)
Net Operating Profits		588,358,739	1,071,451,686	418,028,101	693,901,767
- Non_Operating Income		5,004,955	5,034,478	-	-
Net Profit Before Tax		593,363,694	1,076,486,164	418,028,101	693,901,767
- Income Tax	(28)	(84,423,278)	(109,800,017)	(45,278,530)	(68,463,423)
- Deferred Tax	(28 & 27)	7,013,706	(27,805,832)	9,118,512	9,936,179
Net Profit After Tax		515,954,122	938,880,315	381,868,083	635,374,523
Earning Per Share	(29)	2.34	4.26	1.73	2.88


Hisham Ezz El-Arab
 Chairman
 & Managing Director

Commercial International Bank (Egypt) S.A.E.
Cash flow Unconsolidated as of
Jun. 30, 2008

	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Operating Activities</u>		
- Net Income before tax	1,076,486,164	693,901,767
<u>Adjustments To Reconcile Net Income</u>		
<u>To Net Cash Provided by operating activities</u>		
- Depreciation	65,209,394	58,369,810
- Provisions (Addition during the Period)	164,755,386	147,500,000
- Trading financial investments evaluation differences	15,280,544	(2,433,163)
- Other financial investments evaluation differences	87,605,853	(18,736,033)
- Utilization of Provisions (Except Provision for Doubtful Debts)	(10,361,191)	-
- Provisions No Longer Used	(94,706,704)	-
- FCY Revaluation Differences of Provisions Balances (Except Doubtful Debts)	(1,783,606)	(111,248)
- Gains From Selling Fixed Assets	(5,034,478)	-
- Profit From Selling Financial Investments	(148,151,191)	(50,507,094)
- Profits From Dispose Part of a Subsidiary	(50,258,991)	(148,393,558)
- FCY Revaluation Diff.of Long Term Loans	729,177	419,660
- Reserve For Employee Stock Ownership Plan (ESOP)	28,850,246	14,579,792
<u>Operating Profits Before Changes in</u>		
<u>Operating Assets & Liabilities</u>	1,128,620,603	694,589,933
<u>Net Decrease (Increase) in Assets</u>		
- Due From Banks	(1,015,132,615)	(4,968,766,697)
- Treasury Bills and Other Notes Discountable at the CBE	55,781,462	3,272,774,493
- Trading Financial Investments	(205,492,841)	344,657,129
- Available for Sale Financial Investments	(1,129,488,697)	1,123,301,245
- Loans & Overdrafts	(3,902,357,346)	(2,297,011,795)
- Debit Balances & Other Assets	(629,643,698)	(348,449,201)
<u>Net Increase (Decrease) In Liabilities</u>		
- Due to Banks	1,741,061,367	512,143,781
- Customers Deposits	6,103,350,907	2,533,057,841
- Credit Balances & Other Liabilities	5,613,922	(362,878,094)
Net Cash Provided from Operating Activities	2,152,313,064	503,418,635

Commercial International Bank (Egypt) S.A.E.
Cash flow Unconsolidated as of
Jun. 30, 2008

	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>
	<u>EGP</u>	<u>EGP</u>
<u>Cash Flow From Investment Activities</u>		
- Sells Of Subsidiaries & Associated Companies	18,126,009	82,426,172
- Prepaid for Fixed Assets , Premises and Fitting- out of Branches	(80,245,398)	(153,256,708)
- Redemption Of Held to Maturity Financial Investments	157,040,360	271,009,186
Net Cash Provided from Investment Activities	94,920,971	200,178,650
<u>Cash Flow From Financing Activities</u>		
- Increase (Decrease) in Long - Term Loans	(36,184,758)	26,750,908
- Dividends Paid	(336,727,470)	(287,235,147)
Reserve for Financial Investments Revaluation Diff.	-	(328,756)
Net Cash (Used in) provided from Financing Activities	(372,912,228)	(260,812,995)
Net Cash & Cash Equivalent Changes	1,874,321,807	442,784,290
- Beginning Balance of Cash & Cash Equivalent	6,779,152,548	4,023,396,002
- Cash & Cash Equivalent Balance At the End of the Period	8,653,474,355	4,466,180,292
<u>Cash & Cash Equivalent are Represented as Follows :</u>		
- Cash and Due from Central Bank	7,218,498,485	3,417,012,100
- Due from Banks	14,522,244,685	10,397,066,725
- Treasury Bills and Other Notes Discountable at the CBE	2,776,871,582	1,558,997,404
- Due from Banks (Time Deposits)	(14,279,351,149)	(10,272,281,530)
- Treasury Bills with maturity more than three months	(1,584,789,248)	(634,614,407)
Total Cash & Cash Equivalent	8,653,474,355	4,466,180,292

Commercial International Bank (Egypt) S.A.E
Statement of Changes in
Shareholders' Equity Unconsolidated as of
Jun. 30, 2008

	2007										2008									
	Capital EGP	Legal Reserve EGP	General Reserve EGP	Capital Increase Reserve EGP	Special Reserve EGP	Reserve for investment Revaluation Diff. EGP	Profits of the Year EGP	Reserve for employee stock ownership plan (ESOP) EGP	Total EGP		Capital EGP	Legal Reserve EGP	General Reserve EGP	Capital Increase Reserve EGP	Special Reserve EGP	Reserve for investment Revaluation Diff. EGP	Profits of the Period EGP	Reserve for employee stock ownership plan (ESOP)* 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	-	-	3,039,882,343		1,950,000,000	432,851,511	1,382,547,602	-	162,709,903	4,870,506	-	29,159,584	3,962,139,106	
Transfer to Reserves	-	61,620,639	834,064,668	-	-	-	(895,685,307)	-	-		-	-	-	-	-	-	-	-	-	-
Distributed Profits	-	-	-	-	-	-	(336,727,470)	-	(336,727,470)		-	-	-	-	-	-	-	-	(336,727,470)	
Net Profits of The Year	-	-	-	-	-	-	1,232,412,777	-	1,232,412,777		-	-	-	-	-	(2,588,128)	-	-	1,232,412,777	
Usage Part of Reserve	-	-	-	-	-	-	-	-	(2,588,128)		-	-	-	-	-	-	-	-	(2,588,128)	
Reserve for Employee Stock Ownership Plan (ESOP)**	-	-	-	-	-	-	-	-	29,159,584		-	-	-	-	-	-	-	29,159,584	29,159,584	
Balance at The End of The Year	1,950,000,000	432,851,511	1,382,547,602	-	162,709,903	4,870,506	-	29,159,584	3,962,139,106		1,950,000,000	432,851,511	1,382,547,602	-	162,709,903	4,870,506	-	29,159,584	3,962,139,106	
Balance at Beginning of The Period	1,950,000,000	432,851,511	1,382,547,602	-	162,709,903	4,870,506	-	29,159,584	3,962,139,106		1,950,000,000	432,851,511	1,382,547,602	-	162,709,903	4,870,506	-	29,159,584	3,962,139,106	
Net Profits of The Period	-	-	-	-	-	-	938,880,315	-	938,880,315		-	-	-	-	-	-	-	-	938,880,315	
Capital Increase Reserve *	-	-	(975,000,000)	975,000,000	-	-	-	-	-		-	-	(975,000,000)	975,000,000	-	-	-	-	-	
Usage Part of Reserve	-	-	-	-	-	-	(2,438,092)	-	(2,438,092)		-	-	-	-	-	-	-	-	(2,438,092)	
Reserve for Employee Stock Ownership Plan (ESOP)**	-	-	-	-	-	-	-	-	28,850,246		-	-	-	-	-	-	-	28,850,246	28,850,246	
Balance At The End Of The Period	1,950,000,000	432,851,511	407,547,602	975,000,000	162,709,903	2,432,414	938,880,315	58,009,830	4,927,431,575		1,950,000,000	432,851,511	407,547,602	975,000,000	162,709,903	2,432,414	938,880,315	58,009,830	4,927,431,575	

* Refer to note number (21)

** Refer to note number (30)

The Commercial International Bank (Egypt) S.A.E.
Notes To the Unconsolidated Financial Statements
From January 1, 2008 To June 30,2008

(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 one hundred & one branches, in addition to Forty five 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 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.

(2)

- Premium paid for foreign currencies option contracts is recorded in the Financial Statement 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 Financial Statement 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 repo and Bonds. Interest on past due Loans & Overdrafts are not recorded on the income statement. Dividends income is recognized when declared.

D) Treasury Bills

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

E) Repos & (Reverse Repos) Transactions

Repos (Reverse Repos) transactions are eliminated (recorded) on the financial position under "Treasury Bills and Other Notes Discountable at the CBE" whereas its cost (revenue) is recorded in "interest received from treasury Bills & Bonds" item in Income Statement.

F) 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.

(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 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 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 case of an increase in the fair value. Such increase will be added to the same category in the income statement within the limit of the amounts previously charged. Also investments in jointly controlled companies are evaluated at cost.

J) Assets Acquired for settlement of Debts

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

K) Provision for Doubtful Debts and Contingent Accounts

Provision For Doubtful Debts is established on the basis of an appraisal of the identified risk for specific 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, Options. Such transactions do not represent actual bank's assets or liabilities at the Financial Statement 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.

(5)

N) Depreciation and Amortization

Depreciation of Fixed Assets 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) Taxes

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

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

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

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

(3) Financial Instruments and their risk management

(3/1) Financial Instruments

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

B) 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

(6)

C) 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 statement date. The notes No. (8),(11),(12) are showing the fair value for all investment (except Trading Investment) in the date of financial statements .

D) 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. (31&32) 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.

(7)

- 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. (34) Discloses the distribution of loans portfolio over various sectors.

C) Foreign Currency Risk

The nature of the bank's activity requires the bank to deal in many foreign currencies which expose the bank to the risk of fluctuation in exchange rates. To minimize this risk, the bank monitors the balances of foreign currency positions according to Central Bank of Egypt instructions in that respect. Note No. (35) Of the financial statements discloses significant foreign currency positions at the financial statement date.

4- Cash And Due From Central Bank

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Cash & Cash Items	1,097,537,666	1,081,319,202
- Reserve Balance with CBE		
(A) Current Accounts	3,700,949,366	1,996,073,908
(B) Time Deposits	2,420,011,453	1,875,812,320
Total Cash & Due From Central Bank	<u><u>7,218,498,485</u></u>	<u><u>4,953,205,430</u></u>

5- Due from Banks

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
(A) Central Bank		
- Time Deposits	8,708,757,450	7,391,521,850
Total Due from central bank	<u><u>8,708,757,450</u></u>	<u><u>7,391,521,850</u></u>
(B) Local Banks		
- Current Accounts	22,647,809	8,788,772
- Time Deposits	50,000,000	155,000,000
Total Due from Local Banks	<u><u>72,647,809</u></u>	<u><u>163,788,772</u></u>
(C) Foreign Banks		
- Current Accounts	220,245,727	509,054,737
- Time Deposits	5,520,593,699	5,717,696,684
Total Due From Foreign Banks	<u><u>5,740,839,426</u></u>	<u><u>6,226,751,421</u></u>
Total Due From Banks	<u><u>14,522,244,685</u></u>	<u><u>13,782,062,043</u></u>

6- Treasury Bills and Other Governmental Notes Discountable at The CBE

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- 91 Days Maturity	1,199,100,000	1,313,750,000
- 182 Days Maturity	1,255,025,000	748,800,000
- 364 Days Maturity	376,625,000	970,750,000
	<u>2,830,750,000</u>	<u>3,033,300,000</u>
- Issuance Discount	(53,878,418)	(84,625,681)
Total	<u><u>2,776,871,582</u></u>	<u><u>2,948,674,319</u></u>

7- Trading Financial Investments

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Portfolio Managed By Other Parties	37,666,085	64,370,759
- Mutual Funds	388,885,943	371,832,610
- Bonds	252,584,434	51,603,627
- Shares	99,549,105	100,666,274
Total Trading Financial Investments	<u>778,685,567</u>	<u>588,473,270</u>

The Financial Trading Investments Are Represented As Follows :-

- Financial Investments Listed in Stock Exchange	381,532,184	216,640,660
- Financial Investments Unlisted in Stock Exchange	397,153,383	371,832,610
	<u>778,685,567</u>	<u>588,473,270</u>

8- Available for Sale Financial Investments

	<u>Jun. 30, 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	809,119,557	837,747,721
(B) <u>Bonds</u>		
- Governmental Bonds	2,104,725,679	855,848,389
- Bank's Bonds	54,602,864	-
- Corporate Bonds	551,766,194	586,325,158
	<u>3,520,219,325</u>	<u>2,279,926,299</u>

Available for Sale Financial Investments Are Represented as Follows :-

- Financial Investments Listed In Stock Exchange	2,589,104,740	1,301,157,343
- Financial Investments Unlisted In Stock Exchange	931,114,585	978,768,956
	<u>3,520,219,325</u>	<u>2,279,926,299</u>

- The Market Value Of Available For Sale Investments Listed In The Capital Market Reached EGP 2,940,484,908 On June. 30, 2008, Compared To EGP 1,617,946,351 On December 31,2007

9- **Loans and Overdrafts**

	Jun. 30, 2008	Dec. 31, 2007
	EGP	EGP
- Discounted Bills	602,586,749	369,367,153
- Loans & Overdrafts to Customer	24,685,648,547	20,979,609,432
- Loans & Overdrafts to Banks	331,799,622	501,437,453
	<u>25,620,034,918</u>	<u>21,850,414,038</u>
- Unearned Bills Discount	(63,006,762)	(33,299,487)
- Provision For Doubtful Debts	(1,196,196,272)	(1,089,969,238)
- Unearned Interest & Commission	(164,493,292)	(248,554,472)
Net Loans & Overdrafts	<u><u>24,196,338,592</u></u>	<u><u>20,478,590,841</u></u>

10- **Provision For Doubtful Debts**

	Jun. 30, 2008		
	Specific	General	Total
	EGP	EGP	EGP
- Balance at Beginning of The Period	491,530,222	598,439,016	1,089,969,238
- Addition During The Period	102,967,000	28,295,750	131,262,750
- Written Off Debts Recoveries	14,488,927	-	14,488,927
- Foreign Currency Revaluation Diff.	(7,372,950)	-	(7,372,950)
	601,613,199	626,734,766	1,228,347,965
- Usage During The Period	(32,151,693)	-	(32,151,693)
Balance at The End of The Period	<u><u>569,461,506</u></u>	<u><u>626,734,766</u></u>	<u><u>1,196,196,272</u></u>

	Dec. 31, 2007		
	Specific	General	Total
	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)
	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>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
A- Bonds		
- Housing Bonds (maturity Dec.2019)	215,000	215,000
- Corporate Bonds	254,138,806	411,179,166
B- Mutual Funds		
- 250,000 Osoul Fund Certificates With Market Value LE 131.08 Per Certificate	25,000,000	25,000,000
- 50,000 Istethmar Fund Certificates With Market Value LE 136.35 Per Certificate	5,000,000	5,000,000
- 25,000 Aman Fund Certificates With Market Value LE 120.87 Per Certificate	2,500,000	2,500,000
	<u>286,853,806</u>	<u>443,894,166</u>

The Held to Maturity Financial Investments Are Represented as Follows :-

- Financial Investments Listed in Stock Exchange	89,100,002	311,279,817
- Financial Investments Unlisted in Stock Exchange	197,753,804	132,614,349
	<u>286,853,806</u>	<u>443,894,166</u>

- The market value of Held to Maturity Financial Investments reached EGP 89,100,002 on June 30 ,2008
While reached EGP 337,511,601 on December 31,2007

12- Financial Investments in Subsidiary and Associated Companies

	<u>Jun. 30, 2008</u>		<u>Dec. 31, 2007</u>	
	<u>EGP</u>	<u>%</u>	<u>EGP</u>	<u>%</u>
A- Subsidiary Companies:				
- Commercial International Capital Holding Co. *	275,511,540	50.09	275,511,540	50.09
B- Associated Companies:				
- Contact for Cars Trading	-	-	31,000,000	38.4
- Commercial International life insurance co.	32,000,000	40	32,000,000	40
- Corpiece co.	21,600,000	40	18,400,000	40
- Cotecna Trade Support	48,750	39	48,750	39
- Haykala For Investment	600,000	40	600,000	40
- Egypt Factors	10,399,545	39	3,763,646	39
- International. Co. for Appraisal & Collection.	1,000,000	40	400,000	40
- International Co. for Security & Services	4,000,000	40	4,000,000	40
	<u>345,159,835</u>		<u>365,723,936</u>	

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

- Financial Investments listed in Stock Exchange	275,511,540	275,511,540
- Financial Investments Unlisted in Stock Exchange	69,648,295	90,212,396
	<u>345,159,835</u>	<u>365,723,936</u>

* CIB Share Reached 99.98% (54988000 Shares) After Finalizing Acquisition Process for The Rest of CI Capital Holding Co. Shareholders Shares in 09/07/2008 According to The Contract Signed in 17/06/2008

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

The Capital Commitments For The Financial Investments Reached On The Date Of Financial Position

EGP 194,352,262 as Follows :-

	<u>Investments value</u> <u>EGP</u>	<u>Paid</u> <u>EGP</u>	<u>Remaining</u> <u>EGP</u>
- Available for Sale Financial Investments	600,660,577	407,054,565	193,606,012
- Financial Investments in Subsidiaries Co.	1,395,000	648,750	746,250

14- **Debit Balances and Other Assets**

	<u>Jun. 30, 2008</u> <u>EGP</u>	<u>Dec. 31, 2007</u> <u>EGP</u>
- Accrued Interest Receivable	647,842,768	460,512,142
- Prepaid Expenses	65,344,654	52,588,918
- Advances for Purchase of Fixed Assets	226,388,859	204,554,366
- Assets Acquired for Settlement of Debts *	82,708,491	29,361,646
- Accounts receivable & Other Assets ***	703,105,837	275,561,186
- Accrued Balances of Customers Loans * *	-	241,625,336
	<u>1,725,390,609</u>	<u>1,264,203,594</u>
<u>Deduct</u>		
- Provision for General & Insurance Risk * *	-	(243,638,021)
Total Debit Balances and Other Assets	<u>1,725,390,609</u>	<u>1,020,565,573</u>

* This Include The Value Of Premises That Was Not Recorded Under The Bank's Name By EGP 53,472,995 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

*** Includes EGP 240 Million Under CIB Acquisition of CI Capital Holding Co. Shareholders Shares To Be 99.98%

(13)

15- Net Fixed Assets (After Deduct Accumulated Depreciation)

As Of Jun. 30, 2008

	Land		Premises		IT		Vehicles		Fitting -Out		Machines & Equipment		Furniture & Furnishing		Total	
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP	
Opening Balance (3)	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	
Additional (Deductions) During The Period	(2,250,504)		17,737,569		9,792,119		305,448		15,486,891		17,420,277		4,953,583		63,445,383	
Closing Balance (1)	57,535,556		315,937,761		415,989,047		21,076,715		155,130,730		186,833,862		81,775,707		1,234,279,378	
Accu. Depreciation at Beginning of The Period (4)	-		91,389,674		247,953,560		17,798,473		88,854,558		83,740,254		33,992,656		563,729,175	
Current Period Depreciation	-		7,403,844		27,396,297		702,413		14,677,143		9,934,112		5,095,585		65,209,394	
Accu. Depreciation at End of The Period (2)	-		98,793,518		275,349,857		18,500,886		103,531,701		93,674,366		39,088,241		628,938,569	
End of Period Net Asstes (1-2)	57,535,556		217,144,243		140,639,190		2,575,829		51,599,029		93,159,496		42,687,466		605,340,809	
Beginning of Period Net Assets (3-4)	59,786,060		206,810,518		158,243,368		2,972,794		50,789,281		85,673,331		42,829,468		607,104,820	

Depreciation Rates

%5

%20

%33.3

%12.5

%10

- Net Fixed Assets Value On The Financial Position Date Includes EGP

71,749,757 Non Registered Assets While Their Registrations Procedures Are In Process.

(16) Due to Banks

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
(a) <u>Central Bank</u>		
- Current Accounts	154,023,206	80,028,494
- Time Deposits	3,039,867,000	2,012,792,500
Total Due to Central Bank	<u>3,193,890,206</u>	<u>2,092,820,994</u>
(b) <u>Local Banks</u>		
- Current Accounts	35,019,860	24,932,808
- Time Deposits	686,663,750	28,480,310
Total Due to Local Banks	<u>721,683,610</u>	<u>53,413,118</u>
(c) <u>Foreign Banks</u>		
- Current Accounts	146,493,688	199,834,891
- Time Deposits	56,076,298	31,013,432
Total Due to Foreign Banks	<u>202,569,986</u>	<u>230,848,323</u>
Total Due to Banks	<u>4,118,143,802</u>	<u>2,377,082,435</u>

(17) Customers' Deposits

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Demand Deposits	12,471,709,127	11,586,418,467
- Time & Notice Deposits	17,110,272,505	13,622,910,338
- Saving & Deposit Certificates	6,761,010,512	5,957,646,007
- Saving Deposits	7,260,650,731	6,517,256,544
- Other Deposits	2,014,248,024	1,830,308,636
Total Customer Deposits	<u>45,617,890,899</u>	<u>39,514,539,992</u>

(15)

8) Credit Balances and Other Liabilities

	<u>Jun. 30, 2008</u> <u>EGP</u>	<u>Dec. 31, 2007</u> <u>EGP</u>
- Accrued Interest Payable	149,732,229	140,677,147
- Accrued Expenses	28,509,462	31,856,339
- Accounts Payable	475,734,201	387,694,032
- Income Tax	109,800,017	167,662,101
- Other Liabilities	30,793,463	45,972,518
Total Credit Balances And Other Liabilities	<u><u>794,569,372</u></u>	<u><u>773,862,137</u></u>

9) Long Term Loans

	<u>Rate</u> %	<u>Maturity Date</u>	<u>Maturing Through</u> <u>Next Year</u>	<u>Balance as of</u> <u>Jun-08</u>	<u>Balance as of</u> <u>Dec-07</u>
- F.I.S.C.	7	3-5 years	1,000,000	10,502,400	40,565,200
- K.F.W	9-10.5	10 YEARS	11,395,551	15,494,018	15,195,955
- UNIDO	1	2011	4,713,306	5,811,572	8,038,908
- Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3-5 years	70,462,015	90,166,398	92,594,906
- Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3-5 years	-	100,000	10,000
- Social Fund	3 months T/D or 9% which more	2010	1,560,000	3,826,250	4,951,250
Total			<u><u>89,130,872</u></u>	<u><u>125,900,638</u></u>	<u><u>161,356,219</u></u>

(20) Other Provisions**Jun. 30, 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	227,173,695	-	-	(10,264,010)	216,909,685
- Provision for Legal Claims	1,123,118	1,400,636	(1,194)	(97,181)	2,425,379
- Provision for Contingent	167,036,000	32,092,000	(1,782,412)	-	197,345,588
Total Other Provisions	395,332,813	33,492,636	(1,783,606)	(10,361,191)	416,680,652

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	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

(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 EGP 1950 Million Divided In To 195 Million Shares With Par Value EGP 10 Per Each .
- Issued And Paid - In Capital Will Increase From EGP 1950 Million To EGP 2925 Million To Be Divided On 292.5 Million Shares With EGP 10 Par Value For Each Share On 31/07/2008 According To Board Of Directors Decision On 21/02/2008 By Using 975 Million From General Reserve .
- 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 .

(22) Contingent & Commitments Liabilities

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>EGP</u>	<u>EGP</u>
- Letters of Guarantee	10,021,169,497	8,710,811,993
- Letters of Credit (Import & Export)	1,944,296,952	2,233,007,892
- Customers Acceptances	677,464,732	616,046,795
- Forward Foreign Exchange contracts (Bought)	4,077,809,552	2,315,808,497
- Forward Foreign Exchange Contracts (Sold)	(4,074,373,564)	(2,314,413,012)
- Swap Deals (Bought)	2,840,317,941	2,031,770,686
- Swap Deals (Sold)	(2,853,196,832)	(2,064,022,142)
- Option (Bought)	184,611,960	4,040,915
- Option (Sold)	(184,611,960)	(4,040,915)
Total	<u>12,633,488,278</u>	<u>11,529,010,709</u>

(23) Foreign Exchange Profits (losses)

	<u>Last 3 months</u>	<u>Last 6 months</u>	<u>Last 3 months</u>	<u>Last 6 months</u>
	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>	<u>Jun. 30, 2007</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Profit From Dealing With Foreign Currencies	70,789,951	129,562,710	35,241,124	67,031,707
- Profit (Loss) Of Revaluation Of Monetary Assets And Liabilities *	22,772,042	31,018,148	(1,108,455)	336,200
- Profit (Loss) Of Forward Deals Revaluation	41,450	2,567,288	9,746,475	(2,191,401)
- Profit Revaluation Of Options	163,819	508,512	16,440	143,777
Total	93,767,262	163,656,658	43,895,584	65,320,283

* Include An Increase Of EGP 31,620,514 Due To The Foreign Currencies Revaluation Differences Of The Financial Trading & Available For Sale Investments By EGP 5,396,597 & EGP 26,223,917 Respectively Against Decrease In Financial Investments Revaluation Differences' Items In Income Statement .

(24) 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.

(25) Provisions No Longer Used

- The Amount of EGP 94,706,704 Represent The Remaining Balance of The General Risk and Insurance Provisions After the Settlement of Related Debts.

(26) Other Financial Investments Revaluation Differences

	<u>Last 3 months</u>	<u>Last 6 months</u>	<u>Last 3 months</u>	<u>Last 6 months</u>
	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>	<u>Jun. 30, 2007</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Available for Sale Financial Investments	(48,009,116)	(87,605,853)	(13,203,203)	18,736,033
Total	(48,009,116)	(87,605,853)	(13,203,203)	18,736,033

(27) Deferred Tax Assets and Liabilities

	<u>Assets (liabilities)</u>	
	<u>Jun. 30, 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	(19,383,570)	(22,155,045)
- Other Provisions(Excluded Loan Loss & Contingent Liabilities And Income Tax Provisions)	485,076	48,952,228
- Other Items(Other Investments Revaluation Difference)	32,310,171	20,190,375
- Reserve For Employee Stock Ownership Plan (ESOP)	11,601,966	5,831,917
Total Deferred Tax Assets(Liabilities)	25,013,643	52,819,475

(28) Reconciliation of effective tax rate

	<u>Last 3 months</u>	<u>Last 6 months</u>	<u>Last 3 months</u>	<u>Last 6 months</u>
	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>	<u>Jun. 30, 2007</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Profit Before Tax	593,363,694	1,076,486,164	418,028,100	693,901,767
- Tax Rate	20%	20%	20%	20%
Income Tax	118,672,739	215,297,233	83,605,620	138,780,353
Add / (Deduct)				
- Non-Deductible Expenses	4,696,972	5,494,683	(3,306,053)	(8,836,412)
- Tax Exemptions	(39,421,000)	(75,748,837)	(54,999,323)	(85,736,196)
- Effect Of Provisions	(6,539,139)	(7,437,230)	10,859,774	14,319,499
Income Tax	77,409,572	137,605,849	36,160,018	58,527,244
Effective Tax Rate	13.05%	12.78%	8.65%	8.43%

(29) Earning Per Share

	<u>Last 3 months</u>	<u>Last 6 months</u>	<u>Last 3 months</u>	<u>Last 6 months</u>
	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2008</u>	<u>Jun. 30, 2007</u>	<u>Jun. 30, 2007</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
- Net Profit For The Period	515,954,122	938,880,315	381,868,083	635,374,523
- Board Member's Bonus	(7,739,312)	(14,083,205)	(5,728,021)	(9,530,618)
- Staff Profit Sharing	(51,595,412)	(93,888,032)	(38,186,808)	(63,537,452)
- Shareholders' Share In Profits	456,619,398	830,909,078	337,953,254	562,306,453
- Number Of Shares	195,000,000	195,000,000	195,000,000	195,000,000
Earning Per Share	2.34	4.26	1.73	2.88
* By Issuance Of ESOP Shares Earning Per Share Will Be:				
- Number Of Shares Including ESOP Shares And Capital Increase	295,521,432	295,521,432	196,909,350	196,909,350
Diluted Earning Per Share	1.55	2.81	1.72	2.86

(30) 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 .

(31) Assets & Liabilities Maturities

<u>Assets</u>	<u>Maturity Within One Year</u>	<u>Maturity Over One Year</u>
- Cash And Due From Central Bank	7,218,498,485	-
- Due From Banks	14,522,244,685	-
- Treasury Bills And Other Notes Discountable At The CBE	2,830,750,000	-
- Trading Investments	778,685,567	-
- Available For Sale Investments	3,520,219,325	-
- Customers' Loans & Overdrafts	12,790,866,167	12,332,875,837
- Banks' Loans & Overdrafts	132,009	331,667,613
- Held To Maturity Investments	23,980,574	262,873,232
- Investments In Subsidiary Companies	-	345,159,835
- Debit Balances And Other Assets	1,725,390,609	-
	<u>43,410,767,421</u>	<u>13,272,576,517</u>
 <u>Liabilities</u>		
- Due to Banks	4,118,143,802	-
- Customer Deposits	38,840,982,085	6,776,908,814
- Long Term Loans	89,130,872	36,769,766
- Credit Balances and Other Liabilities	794,569,372	-
	<u>43,842,826,131</u>	<u>6,813,678,580</u>

(32) Interest Rate

- The Average Interest Rates Applied for Assets and Liabilities During The Year Are 6.61 % & 3.24 % Respectively .

(33) Tax Status

- The Bank's Corporate Income Tax Position Has Been Examined And Settled With The Tax Authority From The Start Up Of Operations Up To The End Of Year 1984.
- Corporate Income Tax For The Years From 1985 Up To 2000 Were Paid According To The Tax Appeal Committee Decision And The Disputes Are Under Discussion In The Court Of Law .
- The Bank's Corporate Income Tax Position Has Been Examined And Settled With The Tax Authority From 2001 Up To 2004 .
- 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 .

(34) Distribution of Assets, Liabilities and Contingent Accounts

<u>Assets</u>		
	<u>Local Currency</u>	<u>Foreign Currency</u>
1- Due From Banks	<u>8,781,405,258</u>	<u>5,740,839,427</u>
2- Loans & Overdrafts		%
Agriculture Sector	49,178,889	.2
Industrial Sector	9,954,051,621	38.9
Trading Sector	1,513,589,577	5.9
Services Sector	10,130,336,889	39.5
Household Sector	2,280,547,299	8.9
Other Sectors	1,692,330,643	6.6
Total Loans & Overdrafts (Including unearned interest)	<u>25,620,034,918</u>	<u>100</u>
Unearned Discounted Bills	(63,006,762)	
Provision for Doubtful Debts	(1,196,196,272)	4.7
Unearned Interest & Commission	(164,493,292)	
Net Loans & Overdrafts	<u>24,196,338,592</u>	
<u>Liabilities</u>		
	<u>Local Currency</u>	<u>Foreign Currency</u>
1- Due to Banks	<u>658,534,250</u>	<u>3,459,609,552</u>
2- Customers' Deposits		%
Agriculture Sector	142,739,900	.3
Industrial Sector	4,719,658,570	10.3
Trading Sector	2,418,145,382	5.3
Services Sector	10,935,674,549	24.
Household Sector	23,006,904,563	50.4
Other Sector	4,394,767,935	9.6
Total Customers' Deposits	<u>45,617,890,899</u>	<u>100</u>
<u>Contingent Accounts</u>		
	<u>Local Currency</u>	<u>Foreign Currency</u>
- Letters Of Guarantee	3,342,622,973	6,678,546,524
- Letter Of Credit (Import & Export)	32,443,664	1,911,853,288
- Customers Acceptances	101,346,065	576,118,667
- Forward Foreign Exchange Contracts (Bought)	397,636,464	3,680,173,088
- Forward Foreign Exchange Contracts (Sold)	(261,964,877)	(3,812,408,687)
- Swap Deals (Bought)	-	2,840,317,941
- Swap Deals (Sold)	(481,972,196)	(2,371,224,636)
- Option (Bought)	-	184,611,960
- Option (Sold)	-	(184,611,960)
	<u>3,130,112,093</u>	<u>9,503,376,185</u>

(35) Main Currencies Positions

	<u>Jun. 30, 2008</u>	<u>Dec. 31, 2007</u>
	<u>in thousand EGP</u>	<u>in thousand EGP</u>
- Egyptian Pound	(41,822)	(13,959)
- US Dollar	(5,361)	(56,955)
- Sterling Pound	1,030	(389)
- Japanese Yen	(365)	(377)
- Swiss Franc	217	821
- Euro	23,121	14,449

(36) 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 43,309,696 With Redeemed Value LE 5,675,735,661.
- The Market Value Per Certificate Reached EGP 131.05 On 28/06/2008.
- The Bank Portion Got 3,038,362 Certificates With Redeemed Value EGP 398,177,340 .

(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 3,781,004 With Redeemed Value LE 515,539,895.
- The Market Value Per Certificate Reached EGP 136.35 On 26/06/2008.
- The Bank Portion Got 217,872 Certificates With Redeemed Value EGP 29,706,847.

(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 1,140,481 With Redeemed Value LE 137,849,938.
- The Market Value Per Certificate Reached EGP 120.87 On 26/06/2008.
- The Bank Portion Got 29,121 Certificates With Redeemed Value EGP 3,519,855.

(37) 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>	<u>EGP</u>
Loans & Overdrafts	327,867,141	
Investment in Subsidiary Companies	369,140,409	
Customer Deposits	132,140,475	
Contingent Accounts	48,130,885	
	<u>Income</u>	<u>Expences</u>
- International Co. for Security & Services	456,293	8,687,578
- Corplease Co.	25,068,166	300,308
- Commercial International Life Insurance Co.	2,414,298	904,292
- Commercial International Brokerage Co.	7,250,920	665,878
- Dinamic Company	151,373	23,348

(38) Comparative Figures

The Comparative Figures Are Amended To Confirm With The Reclassification Of The Current Year And General Assembly Held on 17th Of March, 2008 Decisions, For Ratifying The Appropriation Account Of Year 2007.