



2008
ANNUAL REPORT

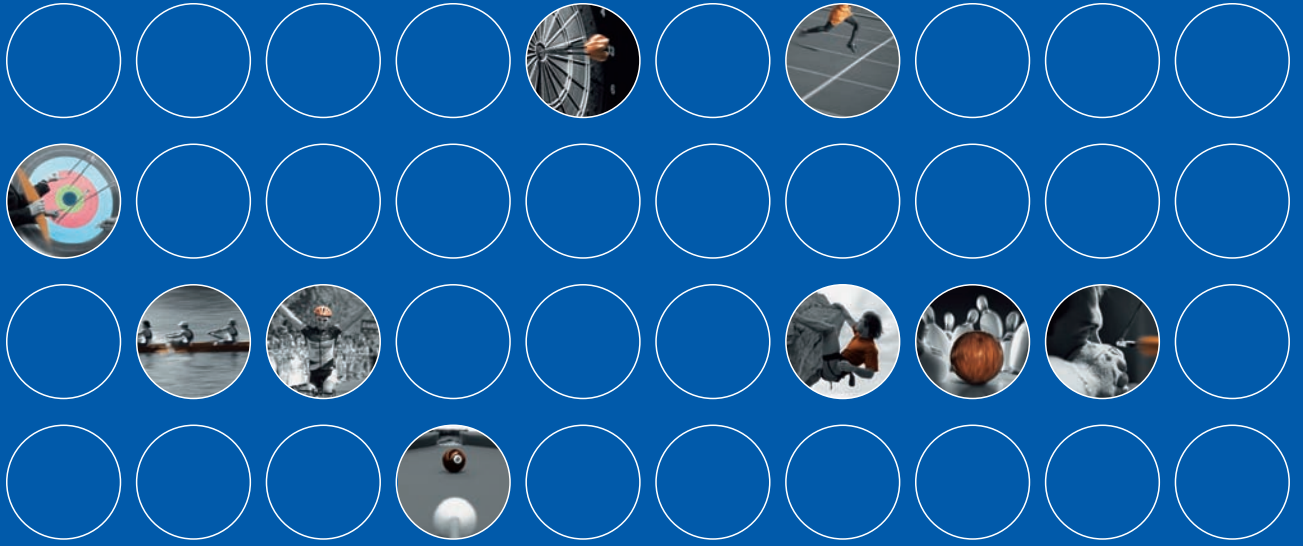




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“The winner is the chef who takes the same ingredients as everyone else and produces the best results.”

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ANNUAL REPORT

Who We Are



Who We Are

The Bank was established as a joint venture between Chase Manhattan and National Bank of Egypt (NBE) in 1975 and was originally named Chase National Bank. Chase divested its ownership stake in 1987 due to a shift in international strategy, and NBE acquired the stake. Following Chase's divestiture, the Bank adopted the name "Commercial International Bank" (CIB). Over time NBE decreased its stake in CIB, eventually reaching 19%. In early 2006, a Consortium led by Ripplewood Holdings acquired NBE's remaining stake.



“A Reliable Business Partner”

07

CIB offers a broad range of products and services to its customers and is a leading provider of financial services to large, medium and small enterprises, other institutions, households and high net worth (“HNW”) individuals. In addition to traditional asset, liability and custodial products, CIB offers wealth management, securitization, private equity and treasury services, all through client-centric teams. In addition, CI Capital, CIB’s wholly-owned subsidiary, offers asset management, investment banking, brokerage and research. We continuously strive to provide our clients with superior financial solutions to meet all of their financial needs. We believe this enables us to maintain our leadership position in the market, while providing a stimulating work environment for our staff, and delivering strong financial performance for our investors.

Our Businesses in a Snapshot

Corporate Banking

CIB is widely recognized as the best corporate Bank in Egypt and is committed to being recognized as one of the best corporate Banks in the region, serving industry-leading corporate clients, as well as small and medium-sized businesses.

Structured Finance

CIB’s global product knowledge, local expertise and capital resources make CIB an industry leader in project finance, syndicated loans and debt capital markets in Egypt. CIB’s project finance and syndicated loans teams provide large borrowers with better market access and greater ease and speed of execution.

Consumer Banking

2008 was a year of significant transition for the Bank that moved us closer to our objective of building a full-service, world-class consumer Bank. We offer a wide array of consumer banking products, including:

- **Personal Loans** Focusing on employees of our Corporate Banking clients and offering fully secured Overdrafts and Trade Products.
- **Auto Loans** Launched in December 2008 and positioned to actively support this growing market in the coming years.
- **Deposit Accounts** Numerous account types to address our clients’ deposit and savings needs, such as Minor, Youth, Senior Citizen, Certificate of Deposits, Care Accounts as well as Current, Savings and Time Deposit Accounts.
- **Residential Property Finance** Loans to finance home purchases, as well as residential construction, refurbishment and finishing.
- **Credit and Debit Cards** Offering a broad range of credit, debit and prepaid cards.
- **Women Banking** CIB is the only Bank that offers a dedicated banking platform designed to meet the unique needs of women and assist in the promotion and expansion of their wealth and businesses.

- **Wealth Management** Offers a wide array of investment products and services to the largest base of affluent clients in Egypt.

Treasury and Dealing Room Services

Delivering high quality services in cash and liquidity management, capital markets, foreign exchange and derivatives.

Investment Banking Services

Through CI Capital, CIB offers existing and prospective clients a full suite of investment banking products and services, including investment banking advisory and execution, asset management, brokerage and equity research, providing deep and broad market knowledge and expertise. CI Capital is consistently ranked as the leading brokerage house serving local and international clients in Egypt.

Private Equity

Actively participating in select direct investment opportunities in Egypt and across the region.

FY 2008 Financial Highlights

	FY 08 Consolidated	FY 07 Consolidated	FY 08	FY 07	FY 06	FY 05	FY 04	US\$ Dec. 08 Consolidated	US\$ Dec. 08
Common Share Information									
Per Share									
- Earning per share (EPS)			4.84	3.71	3.64	2.77	3.44		0.87
- Dividends (DPS)			1.00	1.00	1.00	1.00	1.75		0.18
- Book Value (BV/No of Share)			19.39	20.93	17.06	13.99	18.53		3.49
Share Price *									
- High			93.40	95.00	79.00	63.50	42.25		16.81
- Low			27.87	53.61	42.11	39.91	22.66		5.01
- Closing			37.20	91.77	57.87	58.68	38.96		6.69
Shares Outstanding (millions)			292.5	195	195	130	130		292.5
Market Capitalization (millions)			10,881	17,895	11,285	7,628	5,065		1,958
Value Measures									
Price to earnings multiple (P/E)			7.6	24.7	14.1	12.5	10.0		7.6
Dividend Yield (Based on closing share price)			2.69%	1.09%	1.73%	2.6%	5.1%		2.69%
Dividend Payout ratio			18.1%	15.8%	27.5%	21.3%	51.4%		18.1%
Market value to book value ratio			1.92	4.39	3.39	1.86	2.10		1.92
Financial Results (millions)									
Net Operating Income	3,357	2,446	3,274	2,313	1,741	1,450	1,273	604	589
Provision for credit Losses									
- Specific	346	193	346	193	176	197	224	62	62
- General	49	57	49	57	17	43	32	9	9
Total	395	250	395	250	193	240	257	71	71
Non Interest Expense	1,330	723	1,076	714	668	474	444	239	194
Net Profits	1,365	1,298	1,615	1,233	802	610	506	246	291
Financial Measures									
Efficiency Ratio	37.42%	28.53%	28.55%	26.90%	34.73%	29.32%	25.82%	28.55%	28.55%
Cost: Income	39.61%	29.56%	32.34%	30.19%	38.38%	32.72%	34.92%	32.34%	32.34%
Return on Average Common Equity	26.47%	32.73%	33.12%	35.21%	26.49%	23.76%	22.19%	33.12%	33.12%
Net Interest Margin (NII /Average Interest Earning Assets)	4.03%	3.28%	4.06%	3.27%	3.14%	3.50%	3.10%	4.06%	4.06%
Return on Average Assets	2.59%	3.02%	3.08%	2.90%	2.37%	2.09%	1.94%	3.08%	3.08%
Regular workforce headcount	4,014	3,508	3,792	3,132	2,477	2,301	2,109	3,792	3,792
Balance Sheet and Off Balance Sheet information (millions)									
Cash resources and Securities (Non. Governmental)	15,941	22,484	15,964	22,481	14,539	11,718	10,783	2,891	2,895
Net Loans and Acceptances	26,330	20,479	26,330	20,479	17,465	14,039	13,394	4,776	4,776
Assets	57,462	47,906	57,128	47,664	37,422	30,390	27,977	10,422	10,361
Deposits	48,790	39,476	48,938	39,515	31,600	24,870	23,979	8,849	8,876
Common Shareholders Equity	5,817	4,501	5,672	4,081	3,327	2,727	2,409	1,055	1,029
Average Assets	52,684	42,730	52,396	42,472	33,906	29,183	26,065	9,555	9,503
Average Interest Earning Assets	43,935	35,827	44,602	36,603	29,277	25,619	22,897	7,969	8,090
Average Common Shareholders Equity	5,159	3,939	4,876	3,813	3,027	2,568	2,280	936	884
Balance Sheet Quality Measures									
Common Equity to Risk-Weighted Assets	N/A	N/A	14.93%	13.60%	14.14%	13.83%	12.71%	14.93%	14.93%
Risk-Weighted Assets (billions)	N/A	N/A	38	30	26	22	19	7	7
Tier 1 Capital Ratio	N/A	N/A	10.47%	10.17%	9.59%	9.78%	10.03%	10.47%	10.47%
Total Capital Ratio	N/A	N/A	11.72%	11.70%	10.84%	11.74%	11.38%	11.72%	11.72%
Adjusted capital adequacy ratio	N/A	N/A	14.99%	14.70%	13.60%	13.10%	12.50%	14.70%	14.70%
Net impaired loans after general allowances (millions)	(577)	(448)	(577)	(448)	(333)	(113)	(175)	(105)	(105)
Net impaired loans to net loans and acceptance	(2.19%)	(2.19%)	(2.19%)	(2.19%)	(1.90%)	(0.81%)	(1.31%)	(2.19%)	(2.19%)

* Unadjusted to stock dividends

Key Facts

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EGP 57
billion in total assets

More than
50,000
electronic banking
service users

About
500,000
customers served by
over 3,700 employees

We serve over
100
“Fortune 500”
companies

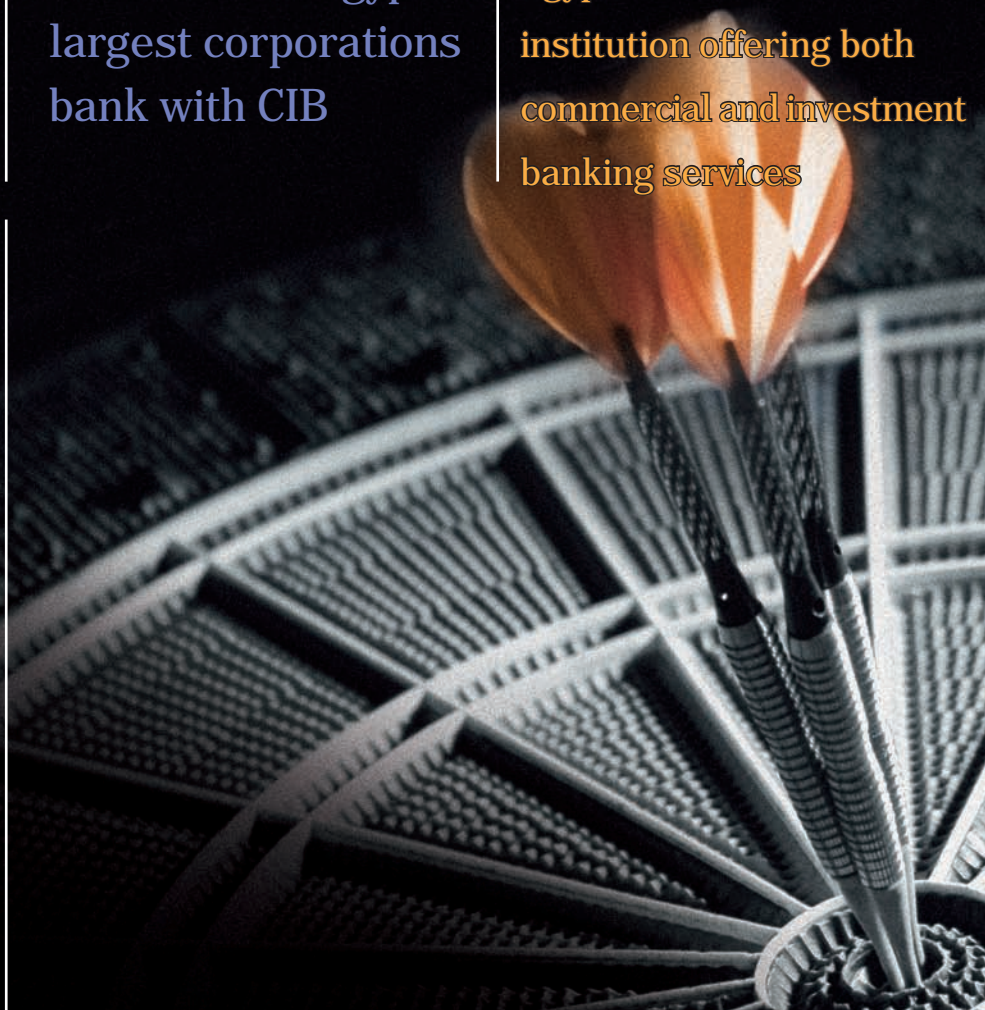
Over
500 of Egypt’s
largest corporations
bank with CIB

The **ONLY**
Egyptian financial
institution offering both
commercial and investment
banking services

No. 1

Bank in terms of:

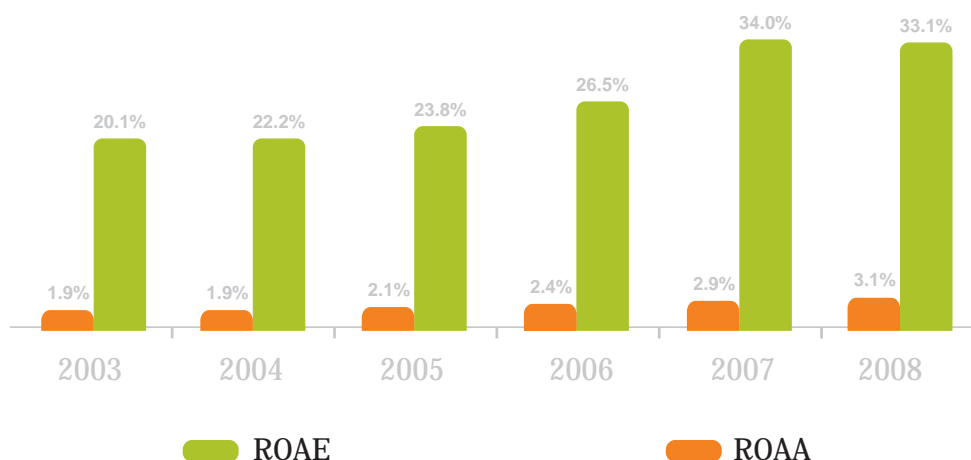
- Market Capitalization in the Egyptian banking sector
- Profitability, achieving 1.37 billion net income
- Loan book and deposit base among all Egyptian private sector banks
- Net-worth among all Egyptian private sector banks



A Strategy that Delivers



At CIB, our customers are our top priority and our continued success depends on our ability to satisfy their evolving needs. CIB's outstanding financial performance in 2008 demonstrates the unique value proposition we offer our clients. Our unwavering client commitment is the basis upon which we will continue to provide our shareholders with consistent, high-quality returns.



We believe a key component of our success is our talented staff. CIB's ability to offer employees an attractive work environment, myriad career opportunities and comprehensive training and feedback allows us to attract and retain the strongest banking professionals in Egypt. Our employees reciprocate with dedication to our customers, our community and CIB.

Our Vision

To be the best financial institution in the Middle East and Africa by 2020.

Our Mission

To provide the best financial solutions to our clients and create more value for our employees, shareholders and community.

Our Objective

To grow and help others grow.

Our values

A number of core values embody the way in which CIB employees work together to deliver effective results for our customers and community.

Integrity:

- Exemplify the highest standards of personal and professional ethics in all aspects of our business.
- Be honest and open at all times.
- Stand up for one's convictions as well as accept responsibility for one's own mistakes.
- Comply fully with the letter and spirit of the laws, rules and practices that govern CIB's business in Egypt and abroad.
- Say what we do and do what we say.

Client Focus:

- Our clients are at the center of our activities and their satisfaction is our ultimate objective.
- Our success is dependent upon our ability to provide the best products and services to our clients; we are committed to helping our clients achieve their goals and be the best at what they do.

Innovation:

- Since our inception as the first joint venture Bank in Egypt, CIB has been a pioneer in the financial services industry. We believe innovation is a core competitive advantage and promote it accordingly.

- We strive to lead the Egyptian financial services industry to a higher level of performance in serving the millions of Egyptians who remain underserved or unbanked.

Hard Work:

- Discipline and perseverance govern our actions so as to achieve outstanding results for our clients and outstanding returns for our stakeholders.
- Seeking service excellence guides our commitment to our clients.
- We work with our clients to reach their current goals while anticipating and planning for their future objectives.

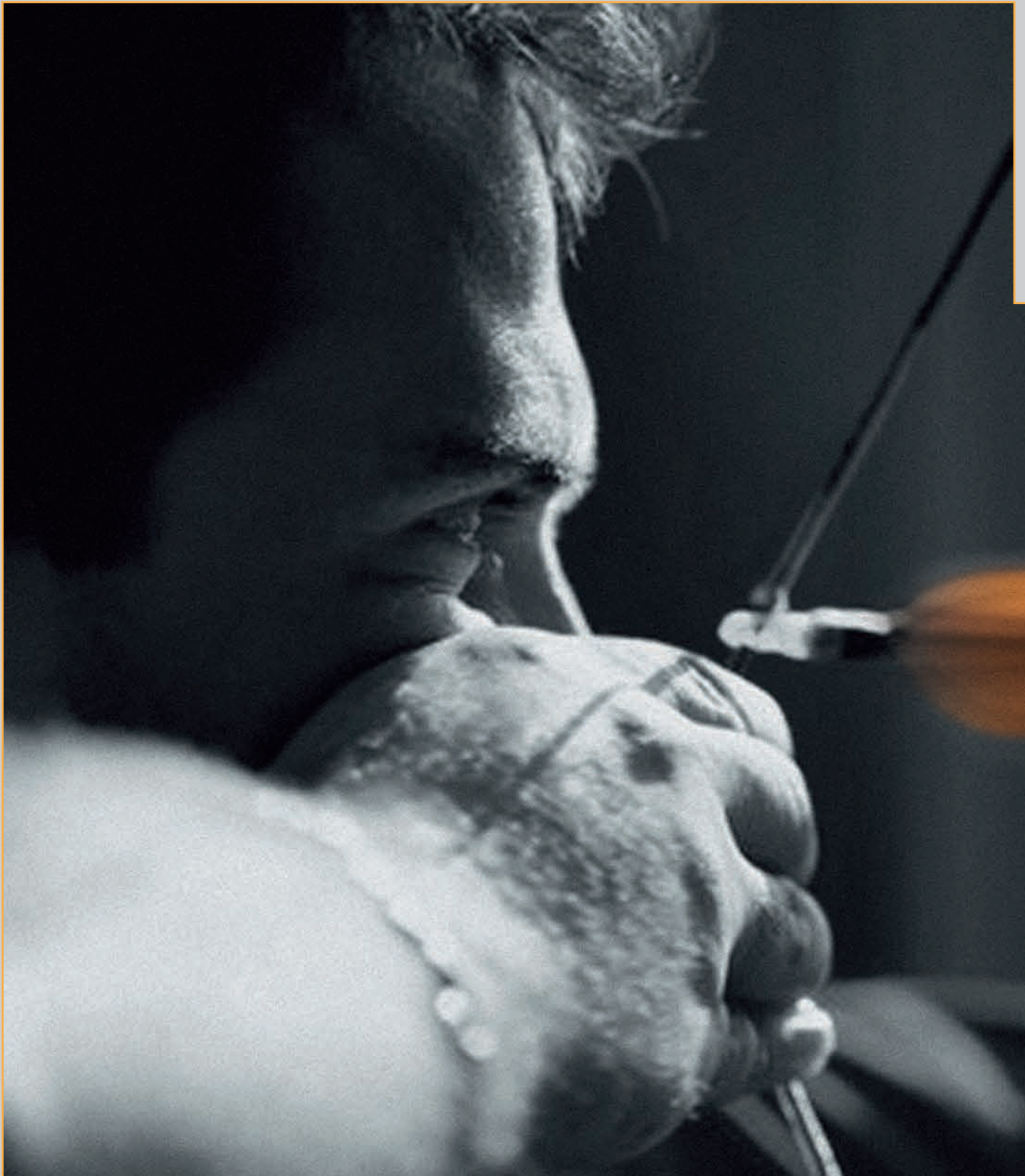
Teamwork:

- We collaborate, listen and share information openly within CIB and with our partners, clients and shareholders.
- Each one of us consistently represents CIB's total corporate image.
- There is only one CIB in the eyes of our clients.

- We value and respect one another's cultural backgrounds and unique perspectives.

Respect to the Individual:

- We respect the individual whether an employee, a client, a shareholder, or a member of the communities in which we live and operate.
- We treat one another with dignity and respect and take time to answer questions and respond to concerns.
- We firmly believe each individual must feel free to make suggestions and offer constructive criticism.
- CIB is a meritocracy, where all employees have equal opportunity for development and advancement based only on their merits.



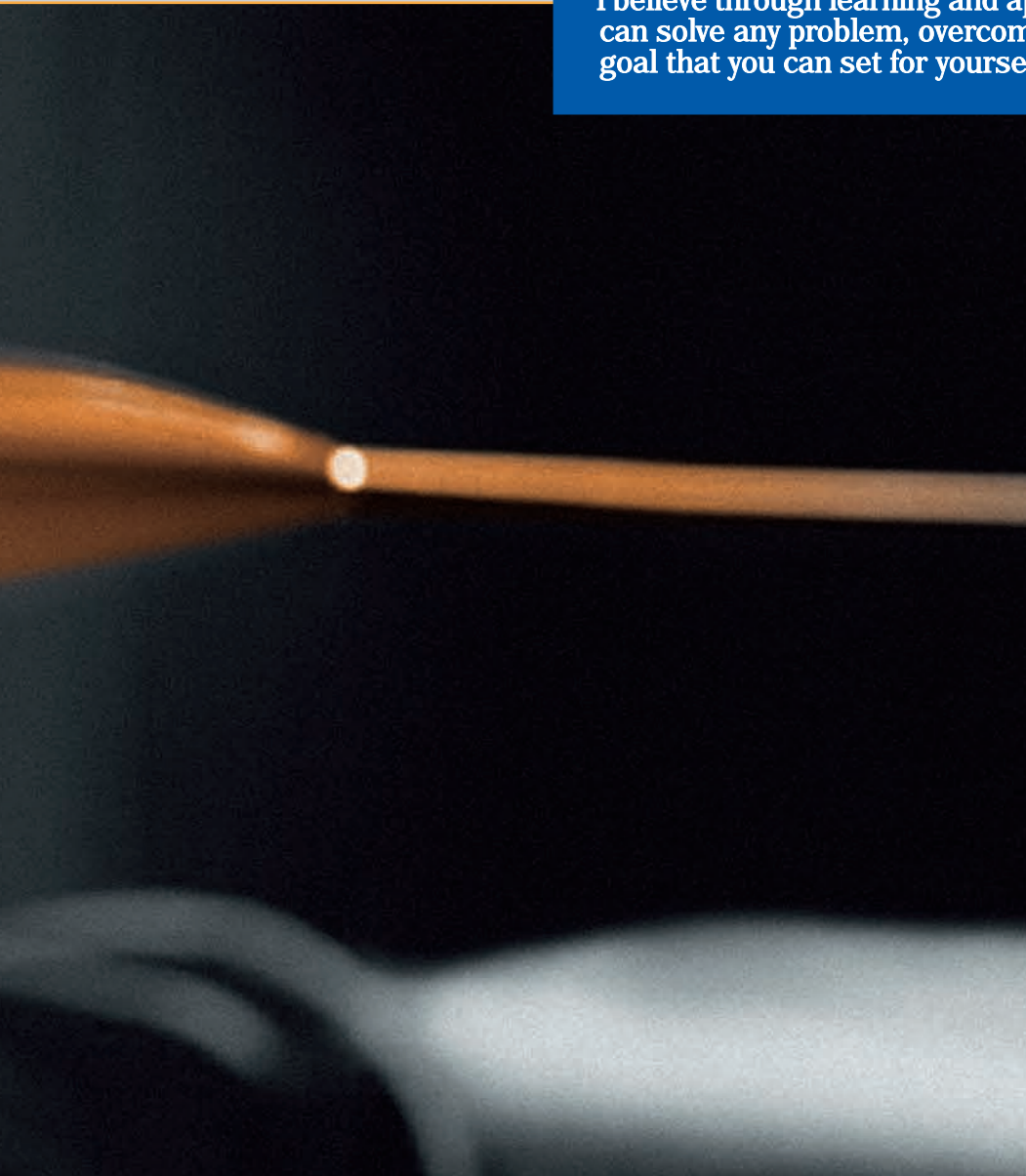
08

A N N U A L R E P O R T

Chairman's Letter



"I believe through learning and application of what you learn, you can solve any problem, overcome any obstacle and achieve any goal that you can set for yourself."



Chairman's Letter

Dear Fellow Shareholders,

The year 2008 was historically significant in many respects for CIB. First, the Bank celebrated its 31st year of record earnings in its 33-year history to maintain its position as Egypt's most profitable Bank. Strong revenue and profit growth was evident across all business lines, with the exception of CI Capital, which is currently undergoing a significant restructuring. Corporate Banking, in particular, exhibited strong performance and widened its market leadership in corporate lending and project finance. The Corporate Bank's stellar performance enables us to execute our strategy in building other key business areas, including retail and SME, which are still small but offer tremendous potential. Second, CIB has undertaken and made significant progress in implementing a number of ambitious initiatives. These include the continued build out of CIB's Consumer Bank along with the restructuring of global Bank operations and back office support. In addition, the Bank is in the process of restructuring CI Capital, which involves additional investment and capacity building to position the enterprise for long-term success. While dedicating significant resources to execute these important initiatives, CIB has continued to deliver strong growth and profitability.

In 2007, after several years of careful analysis, we made the decision to build a world-class consumer banking platform. Our decision was made after the market had finally exhibited some signs that warranted our investments. Those signs included a near-start of the long-awaited credit scoring agency, a drop in real interest rates from the prohibitive levels of few years ago, a reversal in the long term decline in real disposable household income and many other factors. Our decision was followed by commensurate organizational changes and the recruitment of a new Consumer Banking CEO, who has a vast amount of experience and a long record of achievement in consumer banking in markets similar to Egypt.

The other business line that experienced significant reorganization is CI Capital, CIB's capital markets business, which includes investment banking, brokerage, asset management and research. It became clear to us at the beginning of 2008 that a wholly-owned investment bank is the most effective way to deliver a comprehensive product offering and value proposition to our clients, as well as fully realize the cross selling potential across the CIB platform. Hence, in 2008 we acquired 100% of our CI Capital subsidiary. During the remainder of the year following CIB's acquisition, CI Capital has made a number of key accomplishments that should place the business on the path to becoming a leading player in investment banking in Egypt.

Third, CIB remains one of the most stable financial institutions in the region due to its solid financial position, strong capitalization and stringent risk management standards and procedures. In fact,

the Bank has positioned itself as the premiere private sector Bank in Egypt, with superior asset quality and measured prudent growth. This is illustrated by the low level of Non-Performing Loans to Gross Loans ratio, which remained at the 3% level at year end.

The Bank has been vigilant in maintaining excellent relationships with its customers. The experienced and knowledgeable management team has a good understanding of client needs and market circumstances. These unique characteristics enabled CIB to thus far withstand the current global economic turmoil.

In last year's letter, the following were set as our key priorities for the year 2008:

- Focus on customer-centric relationship management to improve service quality.
- Build and maintain the widest and most customer-friendly physical and electronic delivery channels and network of all of the private and multinational banks.
- Continue to upgrade execution, service quality and customer satisfaction inside the branches.
- Build the widest product portfolio among the Egyptian banks to attract clients who enjoy one-stop-shopping services, saving both time and money.

CIB has made tangible progress implementing these priorities in 2008, and will continue to promote these strategies going forward. The Bank has centralized nearly all back- and middle-

office operations, freeing up staff to focus on sales and customer service within the branches. In addition, the Bank has completed the segmentation of its customer base to enable staff to effectively serve the right customer with the right product/service. The Bank also soft launched its wealth management business in four branches. During the year, CIB expanded its branch network to 152 branches running more than 472 ATMs.

CIB's management and staff achieved outstanding financial and operating results in 2008, despite deeply unfavorable global market conditions. Throughout the year, CIB has continued to implement changes across various business units and support areas. In aggregate, we view 2008 to be a year of tremendous progress toward achieving our long-term objectives.

One of our key operating achievements in 2008 was our success in augmenting our skill set with the addition of highly experienced managers and staff, primarily in the Consumer Banking Segment and Central Operations.

The negative performance of the Egyptian stock market during 2008 was reflective of the global financial and market turmoil and did not appear justified by the country's strong fundamentals and lower financial risks on a relative basis. Thus far, the financial crisis that began in the US housing market and grew to engulf the global economy in a deep recession has impacted capital markets in emerging economies more severely than the markets of those economies that were the source of the crisis.

“The past year has undoubtedly been unkind to financial service companies in developed markets. Emerging market banks and their regulators should not dismiss this crisis as unrelated to their own situations.”

Chairman's Letter, CIB Annual Report 2007.

As growth and economic expansion over the long-term in the emerging economies will be stronger than in the developed economies, we believe accordingly, that emerging markets should deliver stronger returns and capital appreciation.

Since the economic domino effect started over a year and half ago, the world business leaders continue to face many uncertainties. Economists and research specialists alike have yet to determine whether the world economy has bottomed, or will fall significantly further.

Most of the G7 countries are officially in recession. Leading indicators in the US and Europe have consistently shown negative change during the last 12 months. However, we might be sensing a light at the end of the tunnel, where a barely positive leading indicators' report for the US economy was published in December, although not reflected in the current US treasury yield.

Unfortunately, the crisis has gone well beyond being a global "Financial Institutions" credit crunch, especially within the G7 and BRIC

economies. The dry corporate credit lines that used to finance large companies' operations have added new non-financial names to the list of companies at risk. Those companies are mainly operating in the construction, IT and communication and automotive sectors. During the last quarter of 2008, many multinational companies failed to refinance their long term debt, to the extent that in some cases, they failed to meet their short term obligations, this is specifically evident in the automotive sector.

Baltic Dry Freight Index

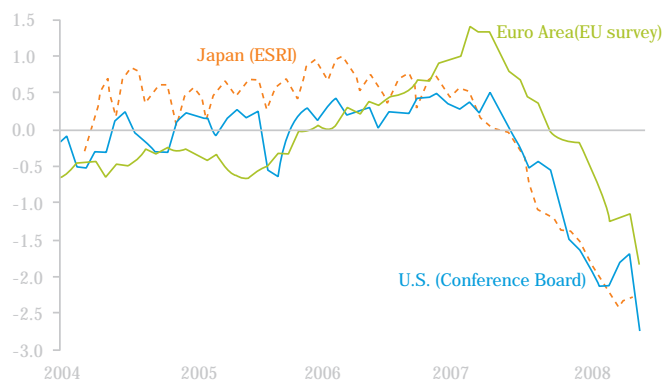
index Jan 4, 1985 = 100



The dramatic collapse in global freight rates is a sign of extreme near-term weakness in global trade flows.

Consumer Confidence

number of standard deviations from long-run average

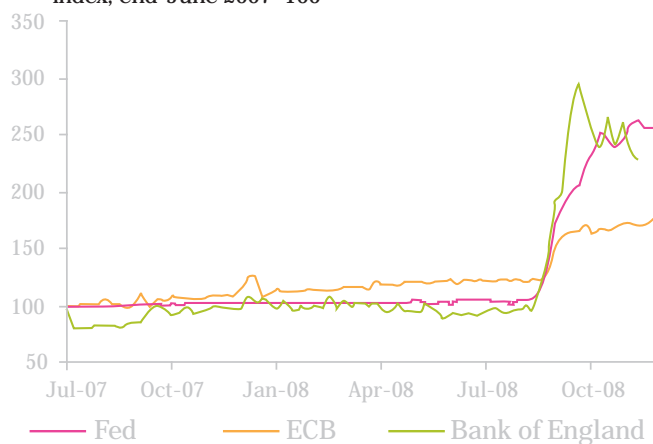


It is unlikely that the ongoing deleveraging would have been as severe without the major capital markets shock that occurred following the collapse of Lehman Brothers in September. In an attempt to stabilize and support the credit markets, Central Banks' balance sheets have stretched significantly. In this respect, Central Banks rushed into saving selective banks, which have a direct impact on the welfare of the overall

economy, from crumbling by providing abundant liquidity and support. AAA-rated Asset Backed securities that were formerly perceived to constitute an investment safe haven are currently trading with a 500+ bps spread. The global interbank open market nearly froze following the filing for bankruptcy by Lehman Brothers. While these markets experienced a slow return to normalization as a result of Central Bank's

intervention, significant uncertainty remains across virtually all capital markets. Accordingly, most investors and market participants have adopted a "wait and see" strategy, particularly in markets where credit growth was most heated during the past few years. Capital market deterioration has continued into 2009 as the depth and breadth of the global recession/deleveraging remains unclear.

Central Bank Balance Sheets- Total Assets* index, end-June 2007=100



*Assets valued in respective local currencies.

Source: IIF Capital Market Monitor

Term Interbank Market

3-month Libor/Euribor - overnight index swaps, bps



The current financial crisis has numerous causes, but the lack of long-term planning and mad scramble for attractive spreads and near-term financial performance were clear factors precipitating the crisis. The "short-termism" that seems to have been adopted by the current generation of business leaders in implementing strategies and producing "novel" products has led to severe systemic damage. We remain hopeful that future generations of business and government leaders will digest the necessary lessons stemming from the current mistakes and missteps to avoid these errors in future decades.

As for the Egyptian economic scene, Dr. Nazif's cabinet has successfully navigated the Egyptian economy to another year of strong, broad-based economic growth, achieving real GDP growth

of 7.2% in 2007/2008. The government is to be commended for its successful efforts to attract both foreign and direct investments. Importantly, the majority of the investments made were directed towards Industrial and Value Adding sectors amounting to EGP 43 billion. This backlog of business startups should help to maintain reasonable GDP growth rate in the coming year, despite considerable global headwinds.

While trying to assess the coming 12 months economic outlook, many projections have pointed to an expected 4 - 5% GDP growth rate in 2008/09, with a lot of uncertainty prevailing until we witness positive leading indicators. If achieved, such a growth rate would be sufficient to help the economy overcome next year's challenges. On a positive note, easing inflationary pressures

due to falling commodity prices will lead to a decrease in subsidies allowing the government to boost spending without necessarily growing its budget deficit. Recently, the government announced an EGP 15 billion economic stimulus package that will include new infrastructure projects and other private public partnerships to stimulate economic growth.

Accordingly, we foresee several positive forces that should help to widen our margins in 2009. The steepening of the yield curve with the short end dropping on vanishing inflation expectations and the long end remaining high due to large sovereign debt should help improve our net interest margins. Unfortunately, such factors usually occur in the context of a slow economy which could cause a spike in non-performing loans. Despite



these risks, the Bank remains well prepared to face any possible negative performance in the domestic economy or global markets.

Due to the CBE's banking reform program and prudent regulatory approach, the Egyptian Banking sector was nearly immune to the toxic debt emanating from the US. In addition, the liquidity of the banking system acted as a cushion against global liquidity pressures, with its Loans/Deposits of only 58%. We are looking forward to the next phase of the program that will entail further requirements for Capital Adequacy, Accounting Standards and Consolidations. We believe that the CBE's Monetary Policy Committee (MPC) will be capable of steering the economy away from any potential deflationary risk. Monetary policy and

tools should be oriented to address deflationary expectations of businesses and individuals rather than historical inflation indicators. Deflationary expectations could lead to unfavorable economic contraction. Accordingly, we are expecting cuts in the CBE target rates within the coming months.

Once the winds settle down, significant opportunities across market segments should abound for those banks well positioned to capitalize. Banks with strong financial positions will grow stronger. We believe that in times such as these it is paramount to be prudent in maintaining proper asset quality, sufficient liquidity and strong capital ratios. Within the coming 12 months, businesses should abide by these policies with zero tolerance for deviations from appropriate risk standards and processes.

CIB's strategy for 2009 is three fold;

- I.** Remain a reliable partner to our existing customers and a prudent source of support for companies and consumers in these tumultuous times;
- II.** Consolidate our position as the premiere Bank in Egypt by focusing on asset quality and monitoring liquidity;
- III.** Continue building our consumer banking business, given the significant economy-wide under-penetration of consumer banking relative to GDP.

A handwritten signature in blue ink, appearing to read 'Hisham Ezz Al Arab'.

Hisham Ezz Al Arab
Chairman and Managing Director

"Nothing stops the man who desires to achieve. Every obstacle is simply a course to develop his achievement muscle. It's a strengthening of his powers of accomplishment."



08

A N N U A L R E P O R T

Board of Director's Report



Board of Director's Report



Despite worldwide turbulence in the financial sector in 2008, CIB was able to continue its strong performance and deliver solid results. The following is a review of the results and of the significant changes and events that took place during the past fiscal year, ending 31/12/08.

The Year 2008 in a nutshell

CIB aims to maintain its leading market position by continuing to provide high quality service and innovative products. The Bank's success is ultimately driven by client satisfaction and retention of highly talented and hard-working employees. In conjunction with its renowned corporate banking franchise, CIB is dedicated to establishing the leading consumer bank in Egypt, where the Bank currently has the largest branch network amongst private sector banks, reaching 152 outlets and 472 ATMs in 2008. Moreover, during 2008 CIB introduced new lines of business and undertook organizational restructuring to address identified service and product gaps. For example, the wealth management services are currently offered in four pilot branches. Furthermore, the Bank has soft launched both auto and personal loans by the end of 2008. It's worthy to mention that CIB's market share from Egypt's P.O.S. acquiring business has significantly surged to exceed 20%, up from virtually zero in early 2007.

In addition, the Bank further penetrated the micro finance sector and the SME market, both of which are key contributors to Egypt's continued economic development and expansion. A clear example is to leverage on our corporate clients, whereby we attract their bankable suppliers, through our well developed SME department. The Bank continues to offer its employees the preeminent training programs in Egypt, with updated and specially-tailored courses to enhance skills, service quality and product knowledge. The Bank continues to make significant investments in its IT infrastructure to enhance operability and firm wide productivity.

Consistent with its strategic priorities, CIB acquired the outstanding stake in CI Capital Holding in July 2008, making CI Capital a wholly-owned subsidiary of CIB. CI Capital continues to make progress pursuing its expansion plans within the local market and across the region, capitalizing on its strategic relationship with CIB. The Bank's ultimate objective to form Egypt's premier financial and investment house remains in place.

CIB was again recognized (for the 11th year in a row) by Global Finance as the "Best Bank in Egypt" for its exceptional performance and dedication in serving its customers. Emerging Markets named CIB "The Best Bank in Egypt". The Bank's focused efforts to build its consumer banking business were rewarded when CIB was selected as "Best Acquiring Bank" in a competition held by Visa Inc. The "Osoul" fund, managed by CIB's Asset Management team, was ranked the No.1 money market fund by performance. In addition, CIB, through the Global Securities Services Division, has become the sole sub-custodian for all Egyptian Depository Receipt (DR) programs.

CIB maintained its credit rating at BB+/ stable/ B, according to Fitch and S&P, reaffirming the Bank's sound management and risk control measures. Unrelenting focus on deepening customer relationships, expanding share of wallet and sound risk management all contributed to the Bank's success in increasing its market share in the lending market to 6.56%, up from 5.93% in 2007, while CIB's market share in deposits rose to 6.28%, up from 5.36% in 2007.¹

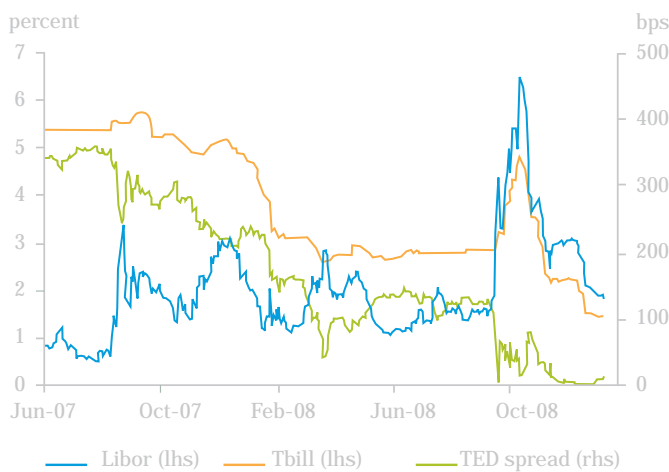
Global Economic Turbulence- Snapshot

Over the past year, the world has experienced the worst financial crisis since the Great Depression. In mid- September, the crisis accelerated with the collapse of Lehman Brothers, which led to a freezing up of the interbank and credit markets and a steep fall in asset prices across global markets. The TED spread² hit a record high, exceeding 300bps as a result of the crisis, reflecting the perception of a high default risk on interbank loans.

¹ Market share is based on the latest November 2008 figures.

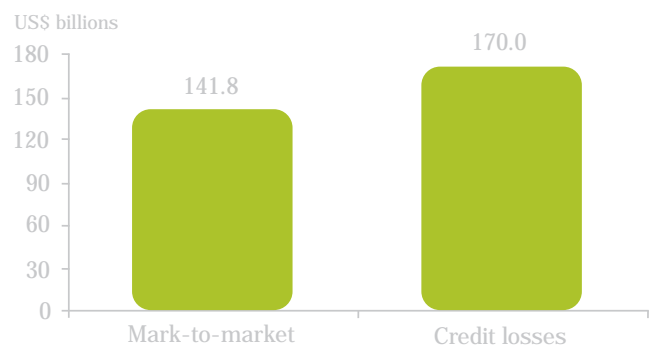
² TED spread is the difference between the interest rates on interbank loans and short term US government debt "T-Bills".

3-month TED Spread*



* Spread of US\$ Libor over U.S. Treasury bill rate.
Source of data: Capital Market Report; IIF

U.S. Bank Losses*

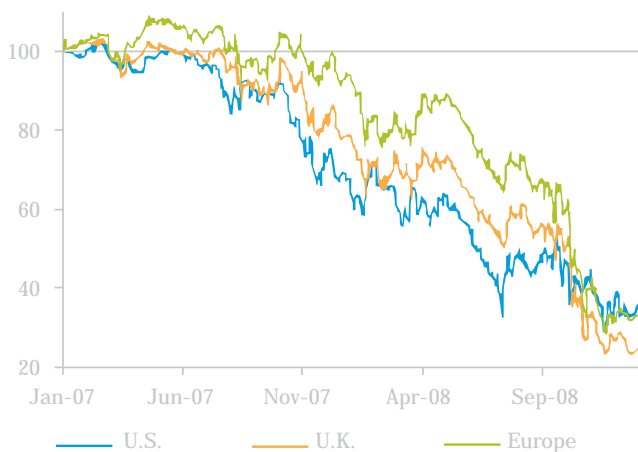


* Bank of America, Citigroup, Fifth Third, IndyMac, J.P. Morgan, KeyCorp, National City, Sovereign, U.S. Bancorp, Wachovia, Washington Mutual, and Wells Fargo. Reported losses since beginning of 2007.

Current estimates of U.S. credit losses range from USD 1-2 trillion (with implied mark-to-market losses in excess of these amounts). With the ongoing deterioration in the U.S. economy, credit losses are expected to continue to rise. However, a number of positive steps have been taken by governments worldwide to stabilize the markets. The U.S. Treasury and Federal Reserve have implemented a number of new programs and guarantees to support the banking sector and credit markets, including the USD 700 billion TARP³ to infuse capital and support financial institutions that suffered severe losses in the crisis. In addition, financial institutions have been able again to issue U.S. government guaranteed commercial paper (CP) and bonds, enabling them to raise sufficient funds to refinance their maturing debt. Since the height of the crisis in the Fall, interbank rates in the U.S. and Europe have continued to fall, suggesting the markets are slowly returning to normalcy. However, much uncertainty and risk remains. Much will depend on how governments across the globe recapitalize banking sectors, restructure debt levels, stimulate economies and address global trade and capital imbalances.

Bank Stocks

MSCI indices (US\$ returns), Jan 1, 2007=100

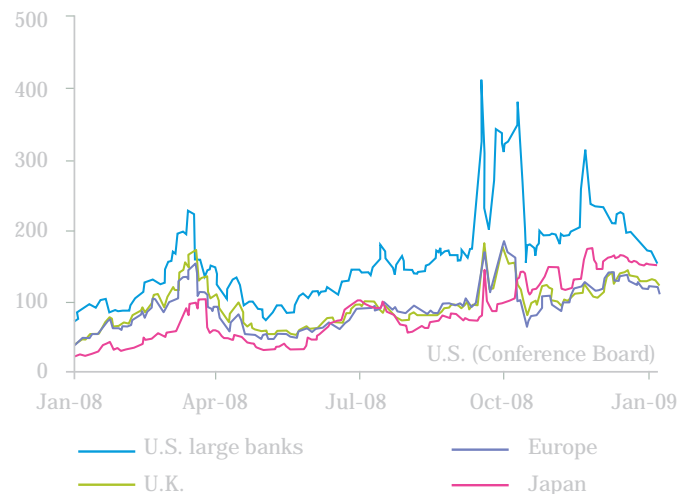


Source: Capital Market Report; IIF

³ Troubled Assets Relief Program

Cost of Credit Protection for Banks

5-year CDS spread, asset-weighted average, bps



Egypt, the Diversified Economy

Egypt has been able to maintain GDP growth above 7% in each of the last two years, as a direct result of its well-diversified economy. The major contributors to economic growth in FY 2007/2008 were tourism (4.2% of GDP, 24.3% growth), Suez Canal receipts (3.7% of GDP, 18% growth), construction (4.5% of GDP, 14.8% growth) and telecommunications (3.3% of GDP, 14.2% growth)⁴. Such economic breadth and diversification is a significant point of strength in such challenging economic times.

The Egyptian economy is expected to continue to withstand the storm, while experiencing slower growth rates, due to a probable decline in tourism revenues, net exports, foreign direct investment (FDI) and Suez Canal receipts. GDP is forecast to grow by 4% in FY 2008/09 driven by local consumption, FDI and the ability of GoE to support domestic investment, especially SMEs and export-oriented businesses.

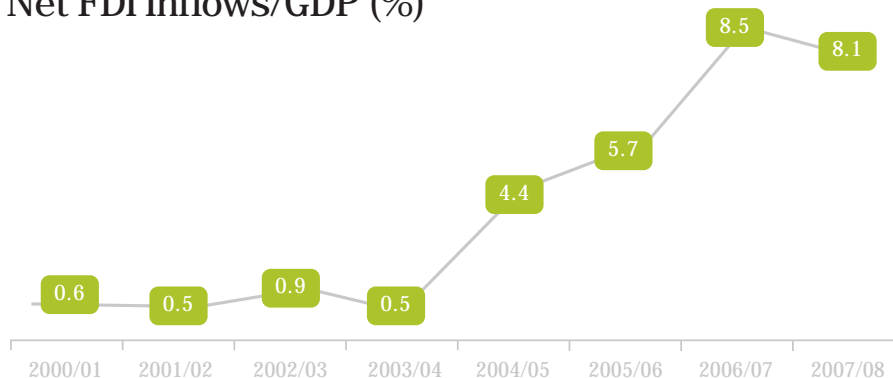
In 2008, the country's Balance of Payment (BoP) surplus increased by 3% to reach USD 5.4 billion, with a positive current account balance of nearly one billion dollars. The surplus in the current account is attributable to a growing net services balance of 30%, realized despite the higher growth witnessed in services outflows. This was due to the surge in Suez Canal receipts and tourism revenues by 24% and 32%, respectively. Moreover, remittances of Egyptians working abroad increased by 35% (rising to USD 8.5 billion as of FY 2008).

The trade balance deficit continued its historical trend, increasing by 44% during the year 2007/08. The surge in import payments of USD 14.4 billion in 2008 was due to the increase in imports of all commodity groups, including intermediate goods and raw materials, as well as consumer goods. In addition, the steep rise in energy prices during the first half of the year contributed to such rise (average price of oil USD 98.5 pb during 2008).

In addition, the capital and financial account net inflows significantly grew from USD 0.85 billion in 2007 to USD 7.1 billion in 2008, due to the increase in foreign direct investment. In fact, the capital account showed a positive balance of USD 2.3 billion for the first time since 2004, as compared to a negative balance of USD 39 billion last year.

FDI inflows/GDP has grown as illustrated in the following diagram:

Net FDI Inflows/GDP (%)



Source of data: CBE

In light of the global economic meltdown, FDI is expected to decline in the coming year. However, Egypt continues to be regarded as a safe place to invest, due to the country's:

- Attractive demographics and domestic consumption,
- Ongoing economic reform,
- Diversified economy,
- Liquid banking sector,
- Favorable factors of production and
- Geographic location that would enable Egypt to act as an investment hub within the region.

One of the drawbacks of the extensive growth in demand seen over the past couple of years has been the deterioration of the trade balance, leading to a widening deficit. Moreover, the current global circumstances will likely lead to a downturn in exports and also in the services sectors (tourism, Suez Canal, remittances). This is a further risk for balancing the accounts. In FY08/09, the current account is expected to turn into deficit affecting the overall balance of payments surplus and representing one of the main threats in the coming period.

Several measures are being taken in an effort to minimize the spillover effects of the global economic turmoil. The government has introduced an economic stimulus package (EGP 10-15 bn) to create an attractive investment environment, support the industrial sector and, in turn, boost exports. The package entails the following:

- Boost tax rebates for certain exporters by 50%,
- Exempt certain companies from sales tax cut customs duties and reduce import tariffs on certain capital and intermediary goods to zero percent. (Down from a range of 2-5%),

⁴ Source: The Financial Monthly, November 2008, Volume 4, No. 1, Ministry of Finance.

- Provide new financing for technology transfer and industrial training,
- Assist companies with storage and distribution costs and freeze electricity and natural gas prices at current rates for all factories through the end of 2009 and
- Freeze energy prices until the end of 2009. Other measures include a decrease in interest rates in light of the expected decline in inflation (expected to reach 10-11% during 2009). This estimate is based on the fact that 40% of the Egyptian inflationary pressure comes from food and energy costs, which are rapidly falling worldwide. Accordingly, CIB foresees the CBE easing monetary policy this year. The likely decline in interest rates should stimulate borrowing and investing activity in Egypt, particularly among SMEs. In addition, Egypt is one of the largest consumer markets in the region, due to its large population and growing per capital income. The Egyptian market possesses tremendous potential for both foreign and domestic investors. Domestic investors represent 70% of total investments, reflecting their critical importance to the country's economy. Of course, FDIs will continue to be an important factor as a source of economic growth and to maintain a healthy BoP and a stable FX market.

On the macro level, we will continue to monitor a number of factors carefully in 2009: investment growth, FDIs, Suez Canal receipts, sold touristic nights and remittances.

Egypt's liquid banking sector, as reflected in a Loans/Deposits ratio of approximately 55.5%, is a continued source of economic stability. Domestic liquidity increased by approximately 11.4% in 2008, despite the ongoing global economic crisis. Total Deposits rose by 10.7% to reach EGP 773 billion in 2008, whereas FCY deposits still comprise approximately 27% of total deposits. The increase in current liquidity is partly due to depositors' outlook regarding the continued decline in inflation, which is leading to a postponement in consumption and a prolonged weak and volatile performance of the stock market.

Total bank credit facilities grew by approximately 13.5%, rising from EGP 378 billion in 2007 to EGP 429 billion in 2008. The growth is mainly attributable to the increase in facilities denominated in LCY by 11.3%, driven by the rise in the industrial and service sector borrowings by 13.7% and 1.4%, respectively. The increase in bank finance for these two sectors is in line with the growth witnessed in value-added and private investments. It is worth noting that there has been an increasing demand for FCY facilities by both sectors, where the growth rate exceeded that of LCY facilities, as seen in following table.

Credit Facilities Growth 2007- 2008

	FCY Facilities	LCY Facilities
Total	18%	11%
Industry	18%	14%
Service	5%	1.4%
Individuals	95.7% ⁵	25.5%

⁵ Resulting from a very small base for comparison (EGP 3.3 billion in November 2007).

⁶ The effect on the customers' credit worthiness as a result of FX rate fluctuations or FCY funds availability

The banking sector's FCY utilization ratio of 69% is a cause for some concern, given the liquidity pressures related to global financial crisis and expected economic slowdown.

Thus, efficient management of FCY credit facilities is a priority, given current economic circumstances. Having foreseen this, CIB has implemented conservative credit policies to enforce thorough assessment of various credit risks including FOREX risk⁶. In addition, the Bank has managed to attract a stable FCY deposit base, mainly through capitalizing on our strong client relationships throughout the Bank. In this context, CIB recently launched its Wealth Management services to cater to the needs of high net-worth customers.

Over the past year, the country's retail borrowing activity increased by 29%, growing from EGP 63 billion in 2007 to a record EGP 81 billion in 2008, mostly in LCY. Auto loans represent approximately 12 to 15% of this year's new individual borrowings. CIB believes it has chosen the right time to penetrate the consumer finance market with a well-established business platform. The country's recently launched Credit Bureau "I- Score" should further boost consumer financing in Egypt, which still represents less than 10% of nominal GDP. The information provided by the newly established I-Score should help banks make a better assessment of default risk and relative pricing, while maintaining loan book quality.

We are living in extraordinary times and the global problems are certainly affecting Egypt. However, thus far the government has proven to be responsive, and has the capabilities to target continued growth. Whilst the coming year is likely to be challenging, CIB is in a strong position to capitalize on the opportunities given Egypt's favorable macro fundamentals. The country's populous, domestic consumption-driven economy and sound financial system provide Egypt with the opportunity to be a relative beacon of growth in the midst of a turbulent global economy.

Financial Position

Preserving a high quality loan portfolio, applying risk management best practices and complying with the various regulations have always been entrenched in CIB's conservative credit culture, as reflected below in the Bank's performance. On a consolidated basis, CIB and CICH achieved EGP 1,370 million Net Profit After Tax (NPAT) respectively for YTD 2008. The Bank, on a stand-alone basis, achieved a NPAT for YTD 2008 of EGP 1,615 million, an increase of 31.01% as compared to the same period of 2007. Regarding the period from September 1st to December

30th, 2008, NPAT reached EGP 333 million, an increase of 1.8% over the same period in 2007. This year CIB acquired the remaining 50% stake in CICH, resulting in CICH becoming a wholly-owned subsidiary of CIB. As previously mentioned, the NPAT on a consolidated basis achieved for 2008 was EGP 1,370 million, which includes the impairment of Goodwill for EGP 183.6 million based on the third party valuation. Also, the Bank amortized EGP 33.7 million intangibles related to the acquisition of CI-CH. Without the effect of the previously mentioned

impairment and amortization of intangibles, on a consolidated basis the Bank grew by 23% compared to 2007 to achieve a NPAT of EGP 1,588 million.

CIB maintained its strong equity base and conservative capital adequacy ratio of 11.72%, providing a solid measure of safety in these times of economic uncertainty. Affirming the Bank's relative status as a safe store of value, CIB stock outperformed the Egyptian equity indices during the most severe period of stock market decline.

Comparative Returns

Securities	RANGE 8/31/08 - 2/4/09	Crncy	Period D Prc Appr	Daily Total Ret	157 Day Difference	Period Annual Eq
1 COMI EY Equity		EGP	- 29.18 %	- 29.18 %	28.82 %	- 55.16 %
2 CASE Index		EGP	- 58.00 %*	- 58.00 %*		-86.70 %
3 HERMES Index		EGP	- 53.57 %	- 53.57 %*	4.44 %	- 83.19 %



(* = No dividends or coupons)
Source: Bloomberg

The Bank's NPLs/loans ratio remained stable at 3%. Moreover, in line with CIB's conservative credit culture, loan loss provisions reached EGP 1.4 billion as of December 2008, increasing by approximately 29.2% as compared to 2007. Consequently, the Bank's Coverage Ratio of 194%, reflects CIB's ability to smoothly absorb any unforeseen increases in NPLs.

Although the Bank has been conservative and prudent in its trading book, FOREX and interest rate exposures, a specialized team has been assigned to monitor the Bank's market risk. Market Risk Management (MRM) is in charge of quantifying and modeling the Expected Loss

that may arise from adverse movements in FOREX, Equities and Interest Rates. The conclusion of the aforementioned tests has consistently proved the soundness of the Bank's equity cushion and its well diversified risk profile.

The success of the management strategy is evident in CIB's Return on Average Equity (RoAE), which reached 33.12% in 2008, as compared to 33.95% in 2007. Return on Average Assets (RoAA) maintained its consistent level of approximately 3%. Diluted Earning per Share rose by 30.45% to reach EGP 4.84.

Net Interest Margin (NIM) improved by 0.8% to

reach 4.06% as of December 2008. This expansion can be attributed to the Bank's effective Asset/Liability management, as well as its large depository base which provides the primary source of funding. Moreover, CIB maintains a favorable mix of deposits, with 44% comprised of lower-cost demand and savings deposits.

The Bank's Cost/Income ratio increased slightly to reach 32.34% as compared to last year's level of 30.19%. This was attributable to structural changes at CIB, as the Bank continued to build out its consumer banking business and hired close to 1000 employees.

At the end of December 2008, the CBE announced its amendment to the banking sector's Financial Reporting Standards. As such, new valuation methods relating to Available-for-Sale, Held-to-Maturity investments and Derivatives have been applied to FYE 2008's financial reports. In addition, the comparable figures were restated.

Key Growth Drivers

Last year's BoD report stipulated that the corporate banking business is the main driver for the Bank's growth, moreover, major changes have been achieved in the consumer banking during 2008 as follows:

- Augmenting top and midlevel management, including appointing a new CEO of Regional Consumer Banking and recruiting experienced staff in several critical areas.
- Launching new lines of Business, including Wealth Management, Auto Loans and payroll-based Personal Loans.
- Wealth Management aims to serve CIB's top customers, by offering savings, investment and insurance products as well as differentiated service.

- Providing Personal Loans to customers were one of the latest additional services available this year.
- Modernization and enhancement of operations remain top priorities to enable branch staff to focus on better serving customers, while reducing costs, improving processing times, and retaining high quality standards.

Synergy Realization

Capitalizing on CIB's strong corporate relationships and broad product and service offerings, the Bank and its subsidiaries continue to focus on cross-selling opportunities as well as expansion opportunities both locally and regionally. In particular, collaboration between CIB and its wholly-owned subsidiary CI-CH has enormous potential, including:

- Coordination between CIB's Corporate Banking Group and CI-CH's investment banking unit to provide corporate clients with a broader array of financing alternatives across the capital structure, a comprehensive suite of asset and liability products and services, and financial and strategic advice.
- CIB's vast corporate client base offers a new

potential customer base for Consumer Banking products as well as other products and services offered by the Bank's subsidiaries, such as insurance, leasing and private equity.

- Supporting CIB's SME finance business through the establishment of the first private equity fund, managed by CI-CH to participate in SMEs projects. The fund was a result of the collaboration between the Industrial Modernization Centre and CI Capital.
- Cooperation between CIB's Wealth Management (WM) division and CI Capital's Asset Management and Brokerage companies, providing WM's affluent customers with access to unique investment products.

Appropriation of Income

The Board of Directors has proposed the distribution of a dividend per share of EGP 1.00. Moreover, increasing both the Legal Reserve by EGP 80.75 million, to reach EGP 513.6 million and the General Reserve by EGP 1,056 million, to reach EGP 1,463 million will reinforce the Bank's solid financial position as evidenced by a conservative Capital Adequacy Ratio of 11.72%⁷

⁷ Adjusted CAR (including profits attributable to shareholders) reached 15%

Corporate Social Responsibility (CSR)

Given the sense of duty and patriotism CIB feels towards our country, and consistent with prior years, we made a number of sizable donations and spearheaded several fundraising efforts in 2008.

Based on our mission statement, "to grow and help others grow", CIB is committed to act ethically and contribute to Egypt's prosperity, while improving the quality of life of our workforce, their families and the local communities.

Our community service initiatives focus on charitable organizations in three important areas: Healthcare, Education, and Social Support & Commitment. The following is a list of charities to which CIB made donations or helped support in the past year:

Social Involvement:

- **Misr El Khair Foundation**

An organization dedicated to promoting education, healthcare services and food for impoverished Egyptians in Upper Egypt.

- **Yahya Arafa Children's Charity Foundation**

A foundation dedicated to helping children who require surgical operations related to the bones and heart.

- **Arafa Charity Foundation**

A foundation dedicated to the provision of healthcare services for impoverished citizens in the Delta region.

- **Ein Shams University Hospital**

A public hospital serving disadvantaged individuals.

- **Mahmoud Hospital**

A hospital that serves individuals who travel into Cairo from surrounding areas to seek medical attention.

- **Khayrazad Organization for Social Care**

An organization that provides financial support for public hospitals within Cairo.

- **Lung Diseases Center - Faculty of Medicine Menoufeya University**

A public university hospital serving underprivileged individuals in Menoufeya.

- **Center for Social & Preventive Medicine, Faculty of Medicine, Cairo University**

Our donation will be utilized for the renovation of this under-equipped hospital, including an X-ray unit and a dentistry unit.

- **Three public schools**

Three schools have been chosen for renovation in disadvantaged communities in Upper Egypt.

- **Children's Cancer Hospital**

Hospital 57357 is the first pediatric cancer hospital in Egypt and the Middle East providing effective management and treatment systems encompassing cancer prevention, education and research for children and their families for free.

- **The Egyptian Food Bank**

The first non-governmental organization aiming to abolish hunger in Egypt, through monetary and moral support from different organizations and individuals, in terms of supplying appropriate food to the truly needy on a continuous basis.

Key Financial Highlights:

The following is a brief overview of key financial indicators on both a consolidated and a stand-alone basis for the year ended 31/12/2008:

I. Balance Sheet (in EGP billions):

a. CIB Stand-Alone

	Balance as of 31/12/2008	Balance as of 31/12/2007	% Change
Total Footings	57.1	47.7	19.7
Contingent Liabilities	13.3	11.6	14.7
Net Loan Book	26.3	20.5	28.3
Investments	5.1	3.7	37.8
Treasury Bills and Other Sovereign Securities	12.4	2.9	327.6
Total Deposits	48.9	39.5	23.8
Other Provisions	0.4	0.4	0.0
Total Shareholders' Equity & Net Profit for the Period	5.7	4.1	39.0

b. Consolidated CIB and CI-CH

	Balance as of 31/12/2008	Balance as of 31/12/2007	% Change
Total Footings	57.5	47.9	20.0
Contingent Liabilities	13.3	11.6	14.7
Net Loan Book	26.3	20.5	28.3
Investments	4.2	3.6	16.7
Treasury Bills and Other Sovereign Securities	12.4	2.9	327.6
Total Deposits	48.8	39.5	23.5
Other Provisions	0.4	0.4	0.0
Total Shareholders' Equity & Net Profit for the Period	5.8	4.5	28.9

II. Income Statement (in EGP millions):

a. CIB Stand-Alone

	Balance as of 31/12/2008	Balance as of 31/12/2007	% Change
Interest Income	3,772.9	2,993.4	26.0
Interest Expense	(1,963.7)	(1,796.7)	9.3
Total Fees & Commissions	612.9	522.4	17.3
Net Profit after Tax	1,615	1,233	31.0

b. Consolidate CIB and CI-CH

	Balance as of 31/12/2008	Balance as of 31/12/2007	% Change
Interest Income	3,765	2,998	25.6
Interest Expense	(1,966)	(1,798)	9.34
Total Fees & Commissions	748	640	16.9
Net Profit after Tax	1,365	1,289	5.9
Net Profit after Tax and Minority Interest	1,370	1,286	6.5



“Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.”



Corporate Governance



Corporate Governance

The Board is responsible for providing leadership for the institution. It ensures that the right strategy and controls are in place in order to deliver value to shareholders, employees and the community.

Corporate governance issues rate high within CIB, both in terms of aligning the interests of shareholders and managers and the monitoring of management through information disclosure and transparent reporting. CIB adopted a sound and effective system of corporate governance best practice, comprising highly professional executive directors and senior management, competent board committees, independent non-executive directors of experience and integrity. In addition to an internal audit and control department equipped with the best qualified and well-trained staff, an efficient investor relations program and two reputable audit firms with an impeccable record of accounting and auditing practice.

Our corporate governance framework ensures that timely and accurate disclosure occurs with respect to material matters regarding the Bank, its ownership, operations and financial performance. It also advocates the equal treatment of all shareholders with sound protection to their voting rights. CIB has a practice of changing auditors every five years to ensure objectivity and to benefit from new practices.

Another important strength is CIB's board composition. The Board is comprised of a majority of non-executive directors who play key roles. The varied expertise of the non-executive directors has created an unusually strong combination of directors, all with relevant knowledge and balanced skills and experience.

“Our Strong Commitment to Ensure That We Enjoy Sound Corporate Governance Help us Deliver Value to all Our Stakeholders”

The Board of Directors

The Bank's management structure is based upon centralization of controls from the top management level at the Head Office. The Board of Directors direct the Bank's businesses by setting the overall strategy, and approves all operating policies.

CIB's BoD currently consists of two executive and six non-executive members with various expertise. When a board seat is vacant, the Compensation and Governance Committee is responsible for nominating a member, subject to the board's consent, who is then formally appointed after gaining approval at the General Assembly and the Central Bank of Egypt. The Directors meet at least four times per annum. During 2008, the Board of Directors convened six times.

Starting early 2006, a group of experienced business leaders representing Ripplewood Holdings L.L.C., Eton Park Capital Management, RHJ International and International Finance Corporation have been part of the Board. This group includes Robert Willumstad, the former President and Chief Operating Officer of Citigroup, Lucio Noto, the former Chairman and Chief Executive Officer of Mobil Corporation, and Tim Collins, Chief Executive Officer of Ripplewood Holdings. Paul Volcker, former Chairman of the Federal Reserve Bank, serves as Senior Advisor to the Board.

Accordingly, the Board of Directors in its new and expanded form consists of the following individuals:

Hisham Ezz Al-Arab Chairman and Managing Director

MC⁸...C, HLIC...C

Hisham Ezz Al-Arab joined CIB in 1999 as Deputy Managing Director and was elected Chairman and Managing Director in September 2002. He has had a wide experience of more than 30 years in global banking activities that he gained in senior positions at JP Morgan, Merrill Lynch and more recently Deutsche Bank in the United Kingdom, Middle East and the United States.

Mr. Essam El Wakil Member and CEO Institutional Banking

RC...M, MC...M, HLIC...M

Mr. El Wakil enjoys almost 34 years of experience in various business and supporting areas, exemplified by: Credit, Corporate, Project and Trade Finance, Investment Banking and Strategic Planning. Mr. El Wakil is a board member of the Federation of Egyptian Banks "FEB".

Mahmoud Fahmy Member

AC...M, GCC...M

Counselor Fahmy is a renowned Egyptian lawyer and international arbitrator. He was the Chairman of Egyptian Capital Markets Authority, the General Authority for Investments, and the Secretary General of the National Council.

William Mikhail Member and Chairman of the Audit Committee

AC...C, RC...C

Dr. Mikhail is currently an Econometrics professor at the American University in Cairo (AUC), and a member of CIB's Board since 1997. He obtained his Ph.D. from the London School of Economics, London University, in 1969. In addition to his academic career, Dr. Mikhail also worked with international consulting firms and as a U.N. consultant on Econometric Modeling and Economic Policy analysis in many countries for more than two decades. He published extensively in econometric theory and applied econometrics in international journals, and supervised many Ph.D. and M.A. theses in both Cairo University and the American University in Cairo.

Dr. Nadia Makram Ebeid Member

GCC...C

Dr. Nadia Makram Ebeid is the Executive Director of the Center for Environment and Development for the Arab Region and Europe (CEDARE), an international diplomatic position she assumes since January 2004. For a period of five years starting 1997, Dr. Ebeid was Egypt's first Minister of Environment becoming the first woman in charge of this position in the Arab World. During her earlier career, Dr. Ebeid was selected for several managerial posts with the United Nations Development Program (UNDP), the United Nations Food and Agriculture Organization's Regional Office for the Near East, Council for Environment and Development Research. In support of her role in environmental policy and advocacy, Dr. Ebeid has received numerous awards of recognition and distinctions from local and international NGOs, leading institutions and associations.

Robert Willumstad Member

AC...C, RC...C

Robert Willumstad is the former Chairman and CEO of AIG and until recently was President and Chief Operating Officer of Citigroup, and a member of its Board of Directors. After 20 years with Chemical Bank, and 11 years with Commercial Credit and its successor companies, in October 1998, Mr. Willumstad played a critical role in creating Citigroup, a history making combination of the former Travelers Group and Citicorp. After serving as the Head of Global Consumer Lending, Mr. Willumstad was the Chairman and CEO of Citigroup's Global Consumer Group from 2000 to 2003, where he led all consumer businesses, including credit cards, consumer finance and retail banking. In addition, he had oversight of Citigroup's consumer operations in Western Europe, Japan and Mexico.

Mr. Willumstad, President of Citigroup in 2002, joined its Board of Directors in 2003; becoming Citigroup's Chief Operating Officer in October 2003. He is a Director of MasterCard Incorporated/MasterCard International Incorporated and Habitat for Humanity International. He is a trustee of the American Scandinavian Foundation and Adelphi University.

⁸ Please see the references part, for all abbreviations, at the end of this section

Tim Collins
Member GCC...M

Timothy C. Collins is the Chairman and Chief Executive Officer of Ripplewood Holdings, L.L.C., which he founded in 1995. From 1991 to 1995, Mr. Collins managed the New York office of Onex Corporation, a Toronto-based investment company. Mr. Collins was previously Vice President at Lazard Freres & Company. he received an M.B.A. degree from Yale University's School of Organization and Management and a B.A. degree in Philosophy from DePauw University.

Lucio Noto
Member AC...M

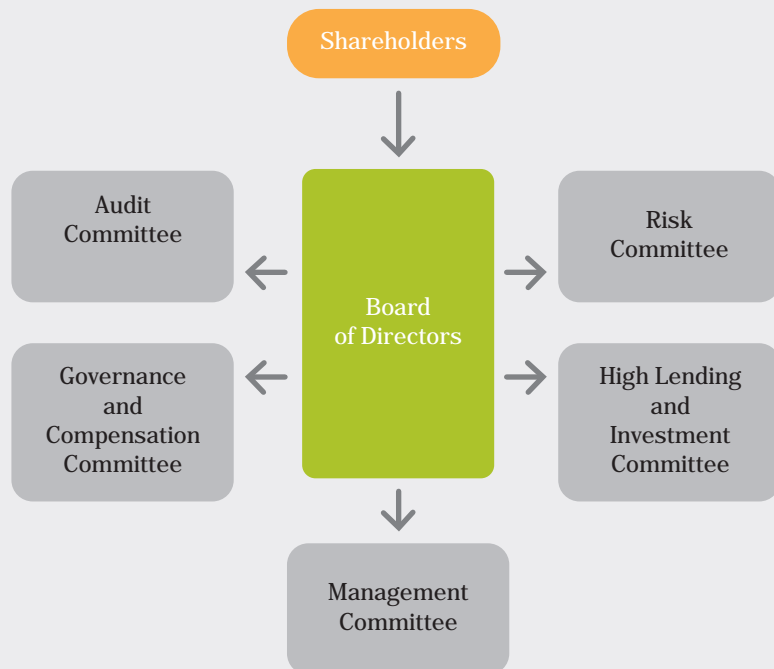
Lucio Noto is the Managing Partner of Midstream Partners, L.L.C., an energy investment company. Mr. Noto assumed his current position in March 2001, after retiring as Vice Chairman of Exxon Mobil Corporation in January 2001; a position he had held since the merger of the Exxon and Mobil companies in November 1999. Mr. Noto has been directing Altria Group since 1998. Mr. Noto was Chairman and Chief Executive Officer of Mobil Corporation before the merger. Mr. Noto was employed by

Mobil in 1962. Mr. Noto is the Director of International Business Machines Corporation and United Auto Group Inc. He also works for the International Advisory Councils of Mitsubishi Corp. (Tokyo) and Temasek (Singapore).

The Board of Directors' Committees

Following the expansion of the Board of Directors during the first quarter of 2006, the Board will oversee the Bank through the Board Committees and the reports generated to evaluate the Bank's periodic performance regarding all aspects of operations. As such, the Board will meet around six times a year, physically or through Video or Tele-Conferencing, in Egypt, with one meeting held in New York City.

In addition to the Board's Audit Committee, Risk and Governance and Compensation committees, CIB has recently established High Lending & Investment Committee as well as Management Committee. The structure of each committee ensures the highest standards of corporate governance, empowers it and links it to the strategic direction of the Bank.



Audit Committee

CIB was one of the first banks in Egypt to set up an audit committee of the Board in compliance with the basic principles of corporate governance. In September 1998, the Bank's Board decided to form the committee in order to ascertain the soundness of the Bank's internal audit system and compliance with the rules specified by regulatory authorities.

The Committee's mandate was extended and articulated in greater detail in the years that followed, especially in light of the Central Bank of Egypt's issuance of a number of rules to be observed and guidelines to be followed in June 2002. Accordingly, the role of the committee was redefined in September of the same year to emphasize its independent nature. Its scope was also modified to be more specific, especially

in relation to risk management, Basel II compliance, money laundering, as well as internal and external audit practices.

Three independent board members form the audit committee. They meet exclusively and regularly with the Bank's external auditors. Bank executives are regularly invited to attend certain meetings when relevant issues are broached.

The Governance and Compensation Committee

The Committee is responsible for the development and reviewing of a set of Corporate Governance Guidelines, which are then recommended to the Board.

The Committee reviews the remuneration of the Board of Directors (both executive and non-executive members.) This also incorporates any stock option proposals to the Bank's Executive and Senior Management Staff. It is also to act as a nomination committee when a board seat is vacated.

The Risk Committee

On the macro level, this committee sets the Bank's "Credit Risk Strategy" and the portfolio mix (concentration and limits) for corporate, retail, banks, countries, etc. to be approved by

the Board. Exposures according to risk rating, amount and tenor are approved by other committees led by the High Policies Committee.

Management Committee

The Chairman, CEO of Institutional Banking, CEO of Consumer Banking, and the COO are the representatives of the Management Committee. They meet exclusively without the attendance of the Bank's executive officers, unless the need arises to invite one or more of them. The management committee will be responsible for setting the overall strategy as well as the financial and operational performance of the Bank.

The High Lending and Investment Committee

The committee's prime mandate is to focus on the credit and investment decisions of the Bank.

It is composed of the Bank's top executives who regularly review and decide on the credit facilities, equity investments, focusing on the asset quality, allocation and its development. They are responsible for taking decisions of an executive or administrative nature; therefore allowing the BOD to focus on strategies and growth opportunities and in turn, decrease inherent conflicts of interest.

References:

- Audit Committee.....**AC**
- The Governance and Compensation Committee.....**GCC**
- Risk Committee.....**RC**
- Management Committee.....**MC**
- High Lending and Investment Committee.....**HLIC**
- Chairman.....**C**
- Member.....**M**



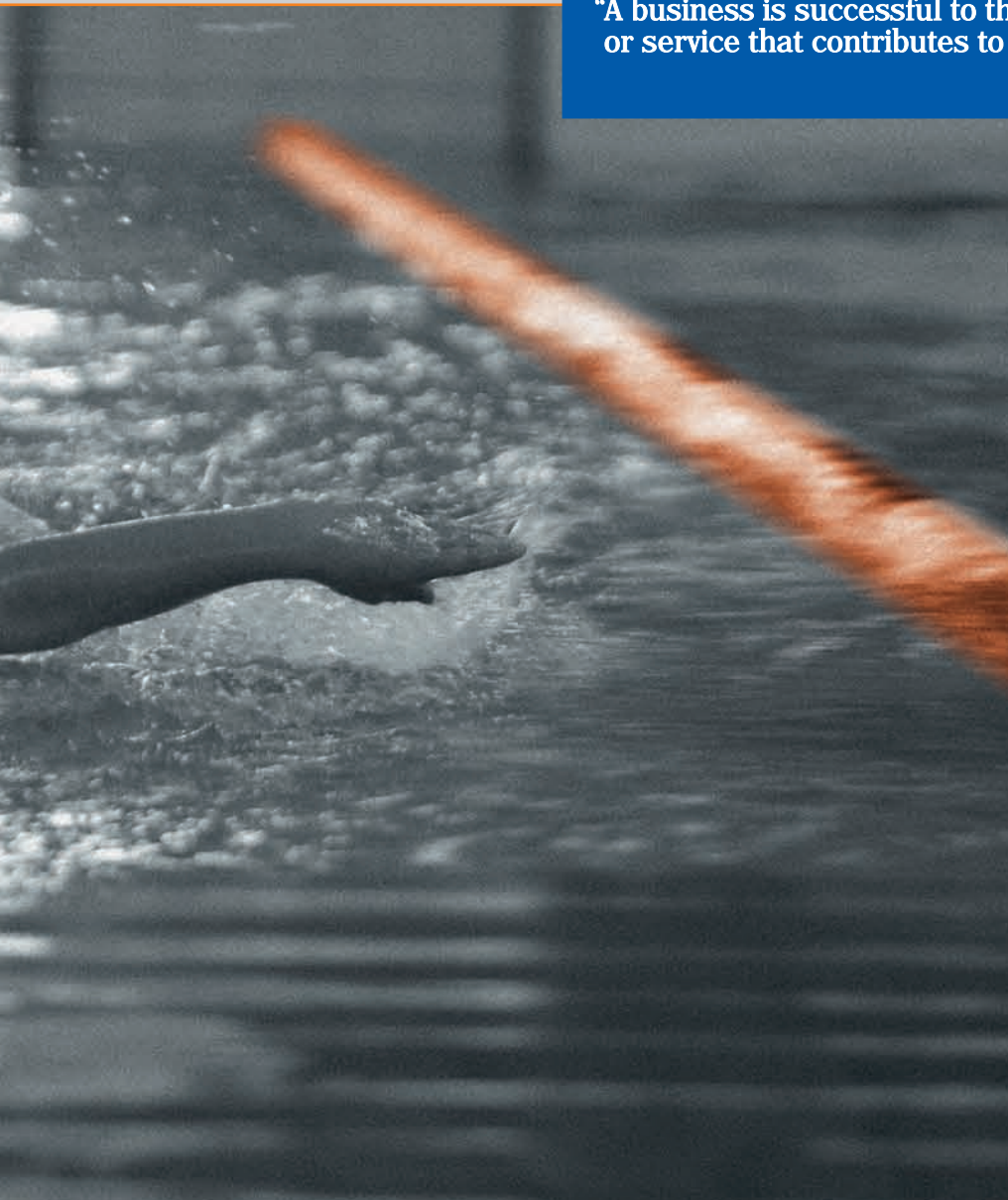


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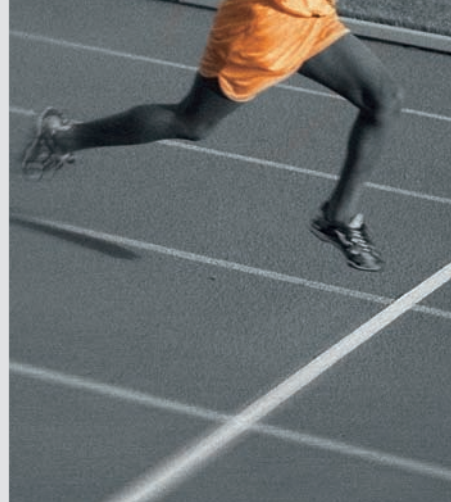
A N N U A L R E P O R T

2008 Review of Operations

"A business is successful to the extent that it provides a product or service that contributes to happiness in all of its forms."



2008 Review of Operations



Institutional Banking

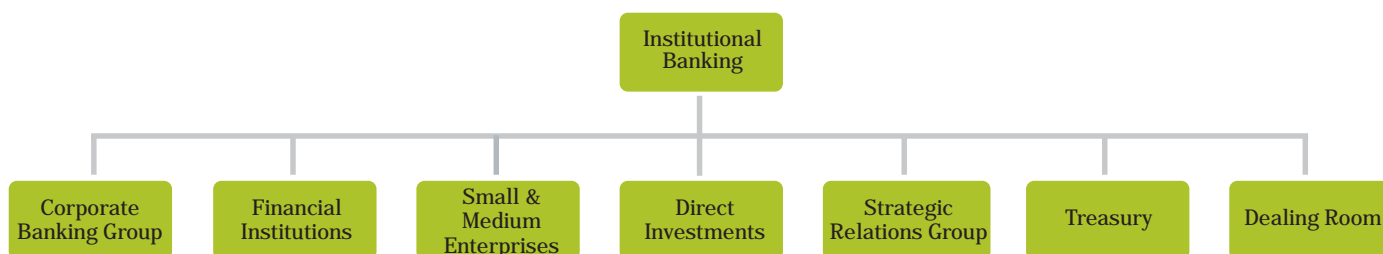
In line with our main objective, *being our clients' business partner*, Institutional Banking doubled its efforts by capitalizing on the Bank's strong credit culture. In addition, the Bank invested significantly to provide one of the widest distribution channels across Egypt as well as a broad range of products and services to its customers. Whether working with a financial institution, a small business or a major corporation, the Institutional Banking seeks to create relationships of depth and longevity. This is achieved through catering to our customers all possible financial needs, extending specialized financing including project and structured finance as well as foreign currency management solutions. In addition, the Bank partners with

corporates via equity participations and at the same time assist all type of clients in reaching their strategic objectives. These services are provided within the parameters of managing CIB's balance sheet to ensure matched funding, competitive cost of funding, maximizing fee income and returns to our shareholders.

Catering institutional customers' financial needs has always been the Bank's driving force. CIB through its subsidiaries, falling under the Institutional Banking, has adopted a strategy to expand its services platform via providing harmonized non-banking products. CIB group of companies offer a wide spectrum of financial products and business solutions, ranging from Investment Banking, Leasing, Private Equity, Trade Support and Finance, Life Insurance,

Appraisal and Collection... etc. CIB group comprises the following companies: **CI Capital Holding, Haykala Investment Managers, Commercial International Life Insurance (CIL), Cotecna, International Appraisal and Collection Company (IACC), Egypt Factors, International Security and Services Company (Falcon Group), Corplease.**

Business units falling under the Institutional Banking, which are the major contributors to CIB's overall profitability, are as follows: Corporate Banking, Financial Institutions (FI), SMEs, Direct Investment, Strategic Relations, Treasury and Dealing Room.



Corporate Banking Group (CBG) is a major contributor to CIB's profitability. The group offers a wide variety of products and services to cater for the requirements of corporate clients across various sectors both locally and regionally. With CBG's product knowledge, expertise and innovation, CBG tailors a broad range of financing solutions, from simple plain vanilla facilities to complex structures and solutions. The group's strategy has been to target numerous sectors with large growth potential including, but not limited to, Infrastructure, Oil and Gas, Power, Telecoms, Petrochemicals, Utilities, Construction, Tourism and Agribusiness.

Under CBG's umbrella are the following specialized divisions:

- **Structured Finance Division:** the Structured Finance Division has an unprecedented track record and unparalleled experience in structuring and arranging large ticket syndicated loans, Project Finance and Securitization transactions.
- **Structured Trade Finance Division:** CIB's Structured Trade Finance Division is a pioneer in tailoring non-conventional trade finance solutions for traders.
- **Shipping Division:** The Shipping Division provides innovative shipping finance solutions and banking services in addition to a unique payments service tailored for the ports.

For the Financial Year 2008, CBG achieved impressive results with a loan portfolio growing by 29% as of December over the same comparable period of the year 2007, to reach EGP 24.1 billion.

CIB outperformed the market with a growth of 24% in its loan portfolio as of November 2008 compared to a loan market growth rate of 13.5%. CBG achieved those results on the back of its specialized CBG team's ability to capture a large volume of lending business for a large number of projects. In addition to its underwriting capacity, being the largest amongst Egyptian private sector banks as of December 31st 2008.

“We Relentlessly Focus on Operational Superiority”

The Structured Trade Finance division

continued to secure sizeable trading transactions, reaching a notable portfolio of EGP 10 billion in 2008. Total Trade Finance Transactions in CBG reached EGP 26.5 billion. CIB was thus awarded the "Best Trade Finance Bank in Egypt" by Global Finance.

In the Shipping business, CIB maintained its position as the market leader in Port services. During 2008, the division expanded its financing commitments to the offshore shipping business related to oil activities. In fact, an additional USD 295m were lead arranged and financed by CIB for the offshore support vessels industry (OSV) as well as offshore drilling rigs.

CBG's total deals closed during 2008 witnessed significant growth over the year 2007; reaching EGP 52.7 billion compared to EGP 37.5 billion in 2007. In fact, **the Structured Finance team** contributed to major prime deals, whereby it played several vital roles such as, but not limited to, Mandated Lead Arranger, Egyptian Facility Agent, Underwriter, Onshore Account Bank, Book-Runner, Security Agent, and Financial Advisor. The key sectors that the Structured Finance team covered during 2008 were mainly Infrastructure, Commercial Real Estate, Oil and Gas, Power and Agriculture. The Structured Finance team has also played a unique role in the local market in structuring and placing complex securitization structures. CIB is the only Bank that structured and placed seven securitization deals locally for non bank financial institutions, of which two were closed in the year 2008.

Corporate Banking will continue to adopt a strategy of careful expansion on a selective basis in order to enhance our strong foothold in the market and maximise profitability.

Financial Institutions Group (FIG) with its diversified approach covers areas such as: trade finance, cross-border allocation, fundraising, marketing products, clearing services, custody services and donor programs, through its six divisions and its representative office in Dubai:

- Correspondent Banking, being the first point of contact with CIB for financial institutions, covers mainly: securing outgoing business for CIB, attracting bonding business (LGs), negotiation of pricing, marketing and cross-selling.

- The International Presence was established to market CIB and its affiliates' brand overseas along with the selling of in-house structured products to Non- Resident Egyptians (NREs) and high net worth investors. Initially, this division was successful in servicing NREs in the Gulf (mainly UAE, Qatar and KSA). The division plans to expand its services to reach NREs in other markets, both regionally and internationally.

- Non-Bank Financial Institutions provides services, products and credit facilities to all types of FI other than banks, i.e. insurance, securities brokerage, car finance and leasing companies.

- Cross-Border Allocation covers syndications of financial institutions and discounts of trade papers related to financial institutions (banks and non-banks).

- Global Securities Services with its specialized activities has placed CIB as the leading Custodian Bank in the local market and the sole sub-custodian for Egyptian GDR programs, as well as, the sole provider of Trustee Services in the Egyptian Market.

- Finance Programs and International Funds are regarded as a unique division within the entire banking sector. This division mainly handles funds and finance programs provided by Egyptian Agencies and International Donors (e.g., USAID, European Union, World Bank, UN, KFW, etc.), with an overall objective of creating sustainable developmental funds. In addition, the division offers services including, but not limited to, agency activities, fund administration, optimum investment alternatives, disbursement / repayment mechanisms,

technical assessment and monitoring, fund promotional activities and full reporting services. Furthermore, it handles funds and finance programs provided by Egyptian Agencies and international donors.

During 2008, FI successfully launched the micro finance/direct lending portfolio activity for the first time in CIB, through a service company model. In addition, CIB has maintained its position as the leading custodian in the local market since 2000, with a share of approximately 34% of market capitalization and a customer base of over 49,000. Moreover, Global Securities Services Division was able to attract the final GDR program in Egypt that was not under its custody, thereby having 100% share of the sub custodian market for GDR programs in Egypt.

With regards to *Small & Medium Enterprises (SME)*, CIB has spared no effort to serve this important segment and fulfill their needs whether for "Finance" or "Financial Advice". In this respect the SME department provides a variety of short and medium term asset and liability products, mainly targeting medium size manufacturers. The SME Banking department was established in September '06 after laying a world class infrastructure; since then CIB has been able to provide EGP 1 billion in the form of committed facilities to medium size companies, and had helped them grow and develop by nurturing their needs for growth and expansion.

The Direct Investment Department acts as CIB's investment arm with respect to the Bank's engagement in direct equity finance transactions. The department's main task revolves around the proper allocation of investment funds into specific industries with a proper exit scenario where CIB's return on these investments would be optimally maximized.

During our holding period of a portfolio company, value is added by supporting the company's growth through active participation in its Board of Directors. In addition to maximization of synergies between the company and CIB's other business departments.

By the end of 2008, the department managed a portfolio whose size at net cost is in the range of EGP 1.9 billion (of which EGP 1.1 billion are CIB's subsidiaries), representing 6.2% of CIB's total loan portfolio size while contributing to around 7% of CIB's total profitability. The Team also achieved an IRR in the range of 30% on exits during the last 2 years.

CIB is considered the premier Bank in Egypt with regards to the establishment of a *Strategic Relations Group (SRG)*. In today's competitive market, the quality of services provided to clients is key to the success of any bank. With that being the fundamental platform for its activities, the SRG is dedicated to cater to, and nurture CIB's relationship with its major Institutional depositors, whose deposits contribute substantially to CIB's stable funding.

SRG focuses on over 180 strategic clients, representing the most reputable and renowned worldwide and local Donor Agencies and NGOs, as well as the vast majority of Diplomatic Missions working in Egypt. Through the in-depth knowledge of the nature of its clients' business, the department takes pride in offering innovative, tailor-made products and services to meet the unique individual needs of its clientele base. These products serve to facilitate the clients' business operations as well as their banking requirements.

The success of this department as a function is based on the partnership that it has nurtured with its clients over the years. SRG is committed to continue strengthening this partnership, while maintaining the delicate balance between client satisfaction and account profitability.

The *Treasury Department's* mission is to efficiently manage the Bank's assets and liabilities through continuous assessment of market risk on the balance sheet. This includes liquidity and interest rate risks, along with maximizing the Bank's net interest income and introducing mutual funds' line of business to clients.

This year, Treasury achieved its mission by

focusing mainly on liquidity; despite the fact that 2008's global financial crisis had spillover effects on various financial markets, in terms of soaring credit spreads and liquidity becoming a major issue.

CIB's foreign currency liquidity position during 2008 remained solid and was not negatively impacted with the events that took place towards the year end. Liquidity ratio was maintained at a level above 29.96%, against a regulatory level of 25%. Our strong performance is a reflection to the quality of service and the clients' confidence in CIB, whereby we have a competitive edge, as client deposits represents 99% of total CIB funding.

Treasury managed the interest rate risk within prudent levels to maximize the Bank's profitability. In addition, the Treasury continued to diversify its proprietary investments benefiting from the proper interest rate outlook.

The results of these efforts were rewarding as December YTD 2008 net interest income grew by 51% compared to YTD December 2007. Additionally, Net interest margin YTD December 2008 was 4.06%- being the highest among Banks operating in Egypt- compared to 3.27% YTD December 2007.

The *Dealing Room* at CIB has always been a major contributor to the Bank's profits, its reputation and marketing outlook. The FX operations covers spots, forwards, swaps, options (plain vanilla, exotic OTC products), cash export and imports, structured products, FX linked yield enhancement products, limit orders and hedging and investment advisory. Besides round the clock FX executions (including Fridays and national vacations), complementary daily market commentary and regular mobile phone SMS alerts covering CIB's clients' requests.

During 2008 the team made a significant upward shift in its trading volumes reaching an equivalent of EGP 300 billion through the year, compared to EGP 200 billion a year earlier. Despite the

increase of severe competition in the local market, CIB's Primary Dealers Desk managed to increase its secondary market Treasury Bills trading volume by more than 80% and its bond volume by more than 40%. CIB successfully acquired a 37% market share in the primary market in Treasury Bills and a market share of 33% in the secondary market Treasury Bonds trading. Moreover, CIB was the first local Bank to execute a Repo deal for Treasury Bonds worth of EGP 2 billion.

CIB assisted clients in successfully managing their risk exposures to minimize the impact of the Credit Crunch's Volatility on the Business. Based on the Clients' Risk appetite, hedging strategies were provided to suit the clients' needs. On the Local Market, CIB provided the clients with immediate competitive pricing on the Egyptian Debt, especially at the time of illiquidity.

For the eighth consecutive year, CIB won the Global Finance Award for the Best Foreign Exchange Bank in Egypt. The award acknowledged the market's appreciation of CIB's pioneer role in providing tight and competitive market making quotes for banks, corporations and retail clients.

“We Deliver an Exceptional Customer Experience”

Consumer Banking

Business Profile

CIB has commenced on the key journey of transition from running a Retail Banking arm to a full-fledged world-class Consumer Banking franchise. This entails completing the menu of Consumer product propositions, building management strength and depth and raising the bar on quality standards to ensure seamless end-to-end customer experiences.

Completing the Menu

CIB has built up over the last decade leading market positions in several key Retail Banking businesses including Consumer Liabilities, Credit / Debit Cards and Mortgage Loans. This has been built on the foundation of the largest Branch Banking Network amongst private sector banks – now standing at 152 branches / units after adding 21 new branches / units in 2008. In addition to being the largest private sector Bank in terms of ATM network – now at 472 ATMs after adding 37 ATMs in 2008. CIB has continued its deep penetration into the Consumer market in 2008 by adding substantially to its customer liabilities base.

CIB also runs a Personal Loans business focusing on employees of Corporate Bank companies and offered fully secured Overdrafts and Trade Products. CIB is also active in the local market Investment products through its subsidiary CIAM including Osoul, Aman, and Estethmar funds targeting varying risk profiles and managing assets of EGP 4,897 million. Finally, the sister company CIL offers customers a wide range of Saving and Insurance programs.

2008 Accomplishments

The CIB Menu has been expanding over the years. In line with such commitment some new products and services were introduced in 2007 and 2008 in the Egyptian market, such as:

1. Cards Acquiring Business. CIB stormed into this market in August 2007 and has experienced an unprecedented rise to 21% market share within 15 months.

2. CIB Wealth Management was launched in September 2008 in four pilot locations and focusing on providing full range of saving, investment and insurance propositions to the affluent market with both on-shore and off-shore products.

3. CIB Auto Loans has been launched in December 2008 and is geared up to aggressively capture considerable share of this growing market in 2009.

4. Expanding the CIB Personal Loans program beyond employees of Corporate Bank companies will allow CIB to expand aggressively in this product with the right revenue – risk trade-offs.

5. Residential Property Finance (RPF) CIB's Residential Property Finance has successfully penetrated the Egyptian Real Estate Finance market, gaining a solid market position and establishing itself as a leading provider of Residential Property Finance services. RPF products are designed to cater for home finance needs of a variety of customer profiles; including employed, self employed and professionals, in addition to financing both resident foreigners and non-resident Egyptians.

6. Management: CIB has engaged heavily in active strategic recruitment starting in 2007 and intensifying in 2008. This was intended to bring into the CIB management team individuals with strong leadership skills and experience in Consumer Bank management of banks around the world and thus closing skill gaps. The marriage of such solid multinational expertise with the strong brand image and distribution of CIB is the secret recipe for the future success of CIB Consumer Bank. CIB welcomed in 2008 our new CEO-Regional Consumer Banking. CIB has also been hiring aggressively in several middle management positions to prepare the next line of Consumer Bank senior management. Significant re-structuring has occurred to better align

support functions with business functions to operate smoothly. As a result of the aforementioned trust and investment allocated to the Consumer Banking, its contribution to CIB's net income grew significantly over the last couple of years.

Quality Standards

CIB is committed to quality as its single most important source of strategic and sustainable differentiation. This is being translated in all areas of the business with investments in building world-class standards and benchmarks for proper and timely completion of all process steps. The management team is keen on measuring performance in all areas, in order to constantly improve the customer experience. This continuous process of quality improvement is the pathway for CIB to attain ultimate customer satisfaction and loyalty.

The examples of this strategic intent are plentiful. CIB has moved in 2008 to centralize all credit decisions and collections functions for all Consumer Asset products. This ensures standardized treatment in an assembly line environment thus applying the Bank policies on all customers.

CIB is also strategically aligned to shifting customer service from the traditional brick-and-mortar channel to alternative electronic channels. This leads to multiple benefits including convenient customer access, standardization of the service offering and customer protection against potential fraud. Overall, the message is one of quality service delivery. Today, CIB offers customers the following alternative channels of customer interaction: ATMs, Internet Banking, Call Center, IVR (Integrated Voice Response) systems, SMS, and e-mail.

Ongoing Consumer Banking Strategy

Egypt is still significantly under-banked, especially, in terms of low penetration of Consumer Bank products, whereby CIB is heavily focusing in the upcoming period. As the economic development continues, more Egyptians will come into the category of

Consumer Banking. CIB aims to build the management team that can position us as the Bank of Choice offering the full range of Consumer products.

In order to maintain our established status within the market in light of the strong competition, we aim to continuously improve and develop our loans and deposits products in response to our customers' evolving financing needs. It is with this in mind; that we have introduced and will

continue to implement changes to our product mix allowing us to maintain and further enhance our leadership in the market.

The coming year is set to witness the business transformation of CIB's product offering, and service model, with our dedicated team of specialists spread throughout our branch network ready to assist our customers and make their experience a more rewarding one.

We will continue to draw upon our solid

experience and unparalleled market knowledge, combined with the resources: Human, technology, available at our disposal and above all else, familiarity with an excellent knowledge of our customers and their needs, to formulate a winning formula for continued success and leadership in Egypt.



“Business Partners Model”

Support Functions

In 2008, CIB rolled out a strategy to relook and restructure all support areas in the Bank based on international best practices. Accordingly, significant improvements in communication and internal processes have been realized to create a solid platform that would stand the Bank's growth strategies. In this regard, all support functions were grouped under one area which required the recruitment of an international and highly skilled Chief Operations Officer (COO). In effect, later in 2008, the best in class COO was hired from international market with leadership experience in Europe, Latin America, Asia Pacific, Middle East, and Africa.

Aiming at realizing this new strategy numerous forums were created to increase interaction between the support functions and the businesses to improve communication, foster team spirit and prioritize the various projects in the Bank. Currently, this area comprises of Human Resource, Finance, Corporate Services, Operations, Information Technology, Premises Department, and Marketing & Communication.

2008 Accomplishments

Administration Departments have been combined and renamed *Corporate Services*. Also efforts are being made to provide the best service to clients through a careful evaluation of services, outsourcing versus in house decisions and out of the box ideas to optimize the resources being allocated for the different services.

Finance Department has been restructured on international standards. The department in its new shape will better provide effective management information for decision making and performance analysis. In addition, robust accounting and taxation unit is more capable of providing timely and accurate information to internal and external stakeholders based on the rules and regulations applicable in Egypt. Moreover, the scope of the payment and reconciliation departments has been enhanced to strengthen the control environment.

Premises Department has been working on optimizing the space utilization for Head Office Staff as well as opening and renovating branches

across Egypt. This year 17 branches, four units and 1 foreign exchange branch have been opened. In addition 4 wealth management centers have become operational and 4 branches have been renovated. In addition, a number of departments have been moved to Smart Village as part of the overall premises plan of CIB.

Human Resources has been providing the best professional services to attract, develop, and retain a motivated and diverse workforce. In order to ensure the successful delivery of CIB Business Plans & Growth Aspirations, we have succeeded to create a supportive work environment. The department has also been focusing on providing a full range of personnel services to all CIB employees. This requires the implementation of up-to-date trends in the field, as well as, recommending new benefits, while enhancing already existing policies, with the objective of maintaining and retaining CIB's most vital asset “our staff”.

In 2008 a number of steps were taken for development of the staff's skills and enhancing the culture of performance versus reward, this includes the following:

- Ongoing improvements in the structure of the compensation packages, as well as job allowances for different departments.
- Approximately 1000 new employees were hired in different areas of the Bank based on the requirements of the business (primarily in the consumer banking business).
- 2896 staff was trained for 120,827 man hours in 2008 in various training schemes.
- An enhanced Performance Management Process was launched, which ensures direct links between objective setting and delivering Value to the Business and more attention to CIB Core Values in all of our dealings.

CIB continued its investment in *Information Technology*, aiming at enhancing the quality of services being provided to our customers.

The focus has been on the continuous improvements to the technical infrastructure of the Bank, in line with our strategy and goals.

Efforts and investments are being exerted to enhance our core system as well as upgrading technologies in our customer contact points. A number of initiatives have been taken in 2008 in this regard, these include:

- Implementation of a new web site for the Bank as well as working towards the extension of CIB's online banking capabilities.
- Increase the efficiency and connectivity of our branch and ATM network.
- Further enhancing E-Security, aiding CIB's initiative to be the first Bank in Egypt abiding by the Electronic Signature law.
- Continuing the expansion of our ATM network and functionality: with 37 new ATM installations during the year

A number of initiatives are undertaken in *Central operations* to improve productivity of staff involved in processing customer transactions. There has also been an effort to centralize operational activities from the branches to Central Operations to bring economies of scale, better controls and allow the branches to have more time for sales and service for customers.

Marketing & Communication has been working on two aspects, which are:

- To enhance the CIB Brand within and outside Egypt as well as focusing on product based marketing to fulfill the requirements of the business.
- To carry out internal events to foster team work in the organization, increase staff motivation and loyalty to CIB.

On the whole, the shift in strategy and restructure in the support functions have laid a solid foundation to support the business growth in the coming years. The focus will continue on business partnership, improving productivity from existing resources, process reengineering to avoid duplications and work on innovative ideas to reduce the cost per transaction in the Bank.

Risk Management

At CIB, we seek to achieve an appropriate risk-reward balance, and continue to build and enhance the risk management capabilities that will assist in delivering our growth plans in a well controlled environment.

Our main strategic priority is to seize a top of the line Risk Management system, not only for the purpose of Data Management pertaining to Basel II compliance purposes, but also for Portfolio Management as well as the upgrade of the Management Information System and Risk Analysis.

Credit Risk

Institutional Banking

CIB's Institutional Banking Risk Management bears imperative responsibility for monitoring the quality of the loan portfolio by pursuing stringent measures. The department is in charge of setting prudent risk management policies, procedures and guidelines that conform to the Bank's rigorous risk practices embodied in our Credit Policy Guide (CPG). Our CPG, the guiding principle of our lending and provisioning scheme, is well within the standards and requirements applied by the Central Bank of Egypt's (CBE). The department also ensures compliance with all CBE regulations and directives.

One of CIB's key strength is typified in our prominent credit culture, thanks to the Bank's in-house credit training program⁹. All officers and analysts must be certified by this program, leading to the creation of a unified culture where everyone speaks the same business language. Consequently, it helped in forming a smooth and speedy approval process, which is another vital asset CIB possesses. Over the years, the Bank has completely institutionalized the credit decisions to be made only through a hierarchy of committees, within their regular weekly meetings. In addition, the bank has lately separated between the Bank's overall strategic decisions and higher end exposure approval¹⁰.

The approval chain also entails risk assessment team to review any loan application prior presenting to any of the approving bodies. In fact, within that task, thorough analysis is conducted for credit approvals in order to ensure that they meet the Bank's risk standards. The Risk Management Team has historically experienced various business cycles; and has become capable of ensuring presentation of prudent projections and analysis.

One of the primary goals of CIB's Risk Management is to monitor problem loans at an early stage before they develop into Non-Performing Loans. Furthermore, convert the maximum possible amounts to higher credit quality brackets whenever possible. The Department also determines the optimal recovery prospects that can be achieved from the accounts and constantly strives to maximize the recovery rates.

Consumer Bank Risk Management Unit

In line with CIB ambitious plans for expanding its Consumer Banking business, the Bank is devoted to ensure that solid risk management infrastructure, policies and tools are in place. In 2008, the Bank has set up an independent Consumer Risk unit under its overall Risk Management umbrella to effectively manage the Consumer Credit Cycle. Consequently, policies, product programs, centralized underwriting, portfolio monitoring, collections and recovery functions were essential.

In this respect, several key initiatives were undertaken, among which was; the development of a Consumer Policy Guide in line with the

Board's directions. The guide defines the broad policies and limits for consumer lending activities, in addition to, setting guidelines for implementation. Moreover, a Consumer Risk Committee that reports to the Board Risk Committee was established. In 2009, the strategy is to move towards further enhancement and automation of its underwriting procedures, automated collections and recovery processes.

Aggregate Portfolio Quality and Provisioning

The Bank's prudent Risk Rating and Provisioning Policy have enabled CIB to build up substantial provisions against possible loan losses. Total Loan Loss provisions reached EGP 1.61 billion in December 2008, compared to EGP 1.26 billion in 2007, despite the write off of EGP 96 million in 2008, compared to EGP 177.8 million in 2007.

Due to CIB's ability to restructure a significant amount of Non-Performing Loans, the Bank has improved its General Ratio for Direct Exposure to 3.42% as of December 2008, up from 3.37% in 2007.

The Department continues to make valuable contributions to the Bank's performance with aggregate Recoveries of EGP 314.9 million as of December 2008, up from EGP 251.2 million in 2007.

⁹ Founded in the 70's by Chase Manhattan Bank based on its credit module.

¹⁰ Kindly refer to the Corporate Governance section for more details

“We Grow While Preserving our Supreme Quality”

	2005	2006	2007	2008
Gross Loans (000's of EGP)	14,988,037	18,503,584	21,465,494	27,738,625
NPL (%of loans)	5.6%	3.8%	3.0%	3.0%
Charge Offs to Date (000's of EGP)	1,041,294	1,269,741	1,447,577	1,543,638
Recoveries to Date (000's of EGP)	106,680	206,742	251,214	314,974
General Ratio (Direct Exposure only)	2.7%	2.8%	3.37%	3.42%
Recoveries to Date / Charge-offs to Date	10.2%	16.3%	17.4%	20.4%

Basel II Grounding

In line with the Bank's efforts to comply with the Basel II Accord, the Bank has a Statistical Rating Model developed to estimate the PD (Probability of Default) risk component for every obligor within the Corporate Asset Class. This is also implemented in line with the Foundation Internal Rating Based Approach. The model is being used on an annual basis to rate the entire Loan Book. In addition, the Bank is developing the other two risk components for the Corporate Asset Class namely; LGD (Loss Given Default) and EAD (Exposure at Default) in order to ultimately adapt the Advanced IRB Approach.

The Bank utilizes an expert scoring model for the SME (Small and Medium Enterprises) portfolio. It is currently being used to score the SME portfolio on an annual basis. The model will be subsequently validated and calibrated into a PD model once the portfolio reaches a certain size.

Market Risk Management (MRM)

Despite the Bank historical possession of relatively small trading equities, FOREX and interest rates positions, a specialized team has been assigned to monitor the Bank's market risk.

Through various techniques the MRM team is in charge of quantifying and modeling the Expected Loss that may arise from adverse movements in FOREX, Equities and Interest Rates. These techniques include Value-at-Risk, Stress Testing, Scenario Analysis and Economic Value of Equity. All the above techniques are regularly conducted to ensure the adequacy and solvency of the Bank financial position from the Market Risk perspective. The conclusion of the aforementioned tests has consistently proved the soundness of the Bank's equity cushion and its well diversified risk profile.

Operational Risk Management

As part of Operation Risk, the Bank has developed an internal control mechanism whereby the Risk Management department can identify daily Operational Risk events. In addition, a number of techniques are applied to efficiently manage Operational Risk in our business by performing bottom-up self assessment techniques to capture and monitor key Operational Risk indicators.

CIB is in process of setting up plan for Crisis Management and Business Continuity Planning/Disaster Recovery Planning Risk.

Compliance

Established in March 2007, Compliance acts as an independent function to protect the Bank against any potential Regulatory, Reputation, Money Laundering and Fraud Risks.

It is comprised of three divisions:

Compliance with Policies and Procedures: Aligns with all lines of businesses to ensure that CIB conducts business together with compliance based on existing local regulations as well as international best practices.

Compliance with Anti Money Laundering: Responsible for ensuring proper client due diligence through the Know Your Client concept.

CIB is currently in the process of implementing a full automated AML solution that covers monitoring all Bank transactions.

During 2008, a new swift filtration system along with a full World Check List installation has been implemented to enhance transaction checking against sanctions and embargoes.

An amended AML and KYC policies have been compiled to align with CBE requirements in this respect.

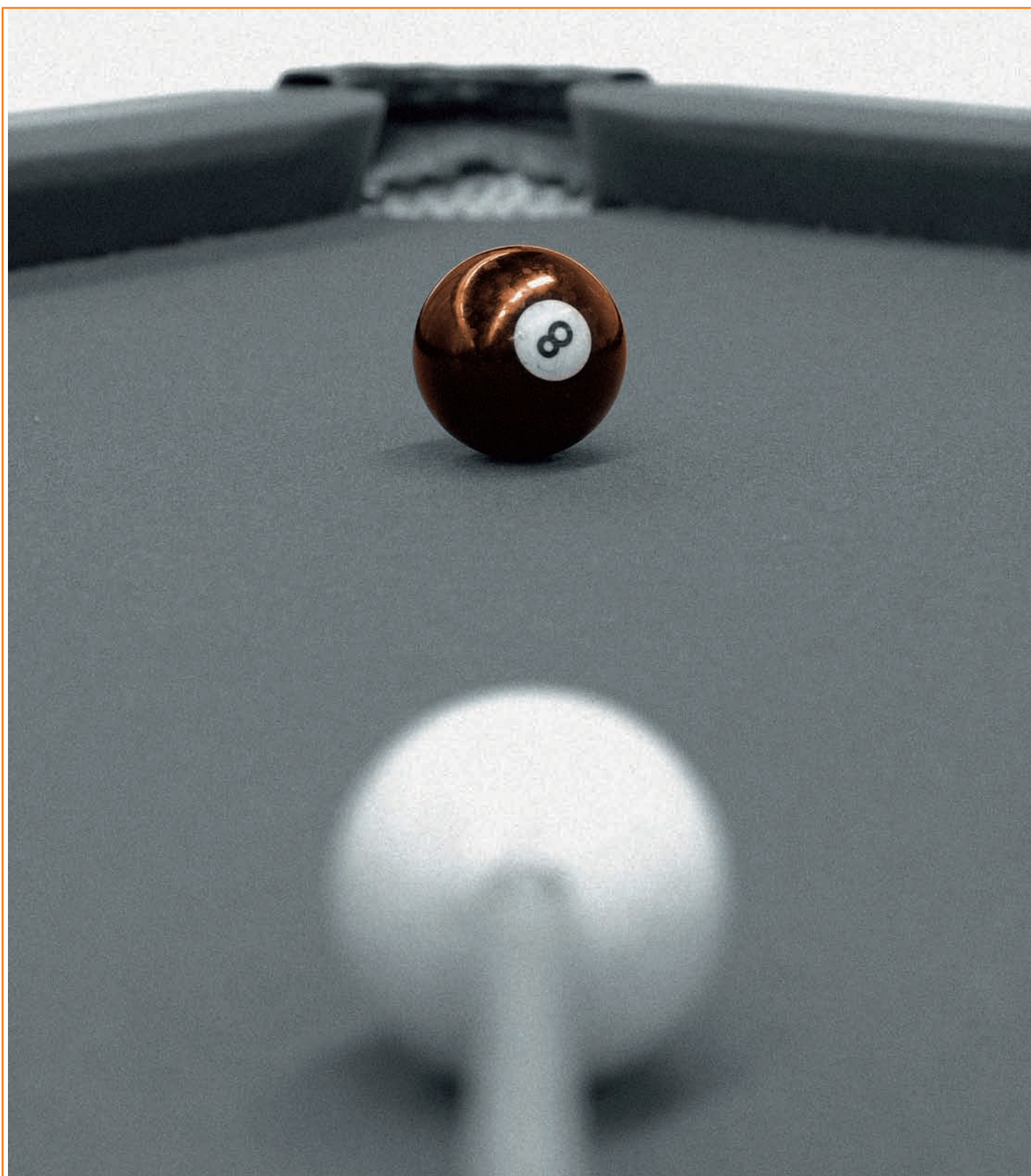
Corporate Governance and Code of Conduct: Responsible for ensuring that the Bank Complies with the adopted Corporate Governance Code. In addition, Code of Conduct Compliance remains to be the key for all CIB Board members and Management.

Ongoing staff awareness sessions are also being conducted in this respect. The "Whistle Blowing" concept has been introduced to Bank employees to encourage them to speak up when identifying misconduct, violations, fraud or breaches.

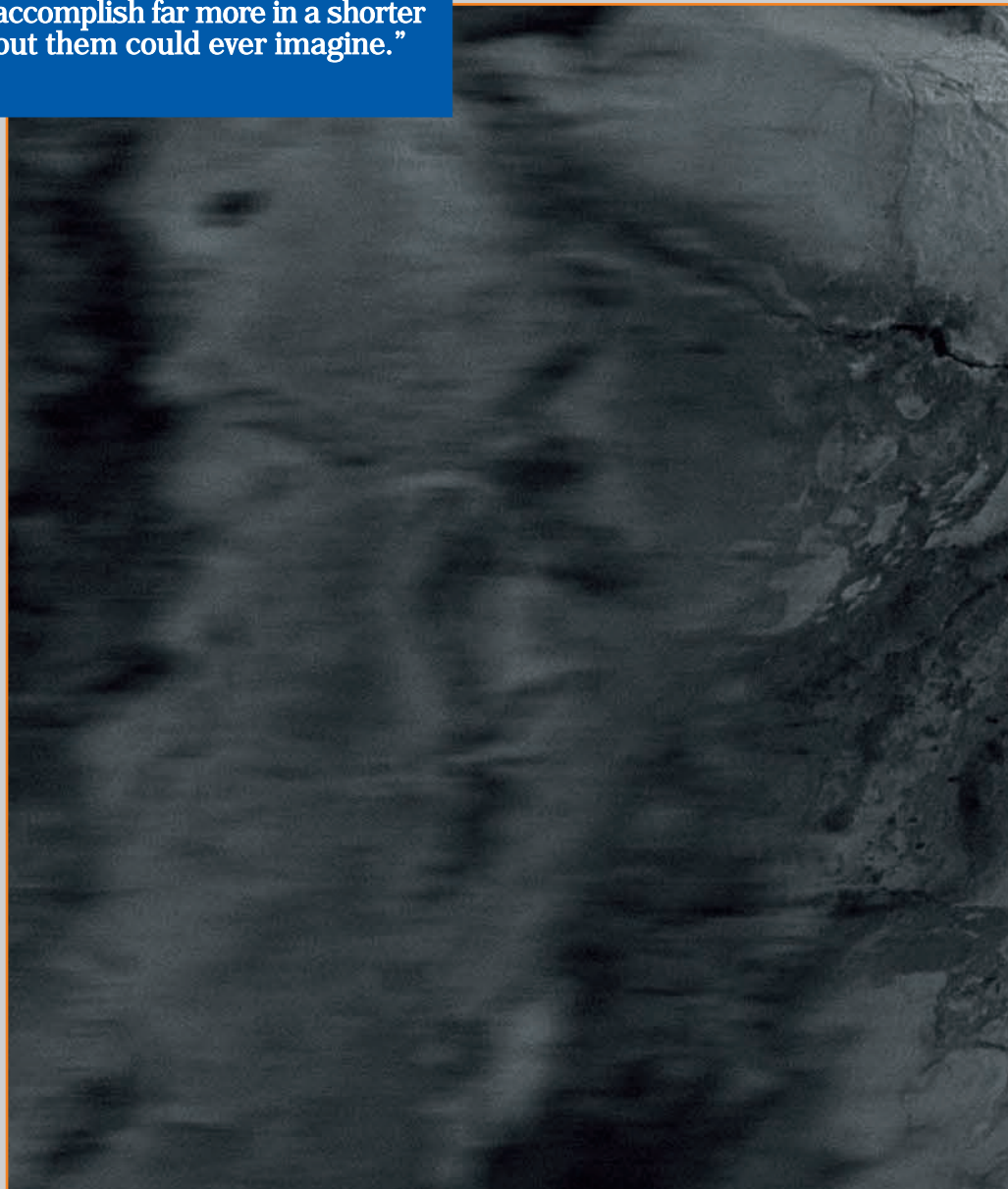
Exercising full independence, the Chief Compliance Officer presents a quarterly report to the Audit Committee of the Board together with the recommendations of corrective measures to cover identified weaknesses and violations.

“A Pioneer in Setting Standards”

47



“People with clear, written goals, accomplish far more in a shorter period of time than people without them could ever imagine.”



08

A N N U A L R E P O R T

Strategic Subsidiaries
and Affiliates



Strategic Subsidiaries and Affiliates



CI Capital Holding

Capitalizing on its strength as Egypt's leading private Bank, CIB orchestrated its entry into the market of financial flows, investment and securities trading with the 100% acquisition of CI Capital Holding in 2008 to become CIB's full fledged investment banking arm.

Profile

CI Capital is an integrated financial services group offering financial solutions through its diverse platform for Securities Brokerage, Investment Banking, Asset Management, in addition to a dedicated SME unit; all served by a strong research arm.

CI Capital's experienced management team have formulated and executed many of the landmark investment banking and brokerage deals in the Egyptian market. Furthermore, the company has assets under management of over EGP 6.6 billion in funds and portfolios.

Brokerage

Through its brokerage arm, CI Capital offers a wide range of securities brokerage services that cater for different clients through several desks including:

- International
- Gulf & High Net Worth
- Retail
- Local Institution
- OTC
- Fixed Income
- E-Trade
- GDR

2008 Accomplishment

CI Capital has one of the widest network operating 11 CIBC and Dynamic branches. In addition, through its brokerage arm in UAE, CI Capital offers its brokerage clients direct access to the UAE capital markets. The market share of CI Capital Brokerage in Egypt has progressed from 5.63% in 1Q08 to 7.75% in 4Q08 with an overall market share of 6.76% in 2008.



Commercial International Brokerage Company

Profile

Commercial International Brokerage Company (CIBC) was established in 1998 to take advantage of Egypt's emerging capital market. CIBC was ranked the No. 1 brokerage house in Egypt in 2001, 2002 and 2004 and No. 2 in 2003, 2005, 2006, and 2007.

2008 Accomplishment

Currently, CIBC has one of the widest branches networks, operating through 8 different branches inside CIB branches. CIBC market share reported 6.4% as of 4Q08, with an overall market share of 5.39% in 2008.



Dynamic Securities Trading

Dynamic Securities Trading (Dynamic) is a brokerage house and performs bookkeeping activities. Since its establishment, Dynamic has been providing top-quality financial services to its wide base of clients with a special focus on retail. Dynamic became part of the CI Capital Holding following its acquisition in 2006. Historically, Dynamic has consistently ranked amongst the top ten brokerage houses in Egypt. Dynamic currently operates through 3 branches located in Mansoura, Heliopolis and Alexandria, in addition to its headquarters in Mohandesseen.

“We Relentlessly Build for the Future by Reinvesting in our Businesses”

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United Brokerage Company

United Brokerage Company (UBC) is the Group's brokerage arm in the Gulf. The company is headquartered in Abu Dhabi (UAE), in addition to two branches in Dubai and Al-Ain. UBC is a joint venture between CI Capital and Oman & Emirates Investment Holding (which is jointly owned by the Government of Abu Dhabi and the Government of Oman). Given such ownership structure, UBC was the first brokerage company to operate in both the UAE and the Omani financial markets.



CI Capital Investment Banking

Profile

CI Capital Investment Banking was established in 2005, to act as CI Capital's investment banking arm. The company offers a wide range of investment banking activities, including but not limited to:

Mergers & acquisitions (M&As)

Buy-side advisory
Sell-side advisory
Asset disposal programs and divestitures
Management and leveraged buyouts

Equity capital market services

Private placements
Initial public offerings (IPOs)
ADR/GDR listing
Valuation advisory

Debt capital market services

Bond issuance
Acquisition finance
Debt restructuring advisory
Sukuk issuance

In addition, the company is targeting Small and Medium-Sized Enterprises (SMEs) to help them grow into large companies, capable of competing both locally and internationally in their industries.

2008 Accomplishment

The investment-banking arm successfully concluded privatizations in the Tobacco, Oil and Gas, Telecom and Retail industries. The company also acted as Sole Financial Advisor in several M&A transactions in 2008 including the acquisition of Misr Ismailia poultry by Dallah Al Baraka for nearly EGP 500 million.



Commercial International Asset Management Company

Profile

CI Capital's asset management arm "CI Asset Management (CIAM)" was established in 2004 to manage investment portfolios and mutual funds. CIAM is considered the first private institutional asset management firm in Egypt with total assets under management standing at around EGP 4,897 million as of December 2008. The company manages three funds, namely:

- **Osoul**, one of the largest and best performing money market funds in Egypt with assets under management of EGP 5.7 billion.
- **Istethmar**, the company's first equity fund launched in April 2006 with assets under management of EGP 375 million.

- **Aman**, a Sharia'a-compliant fund, in cooperation with both CIB and Faisal Islamic Bank of Egypt, launched in October 2006 with assets under management of EGP 170 million.

CIAM also provides portfolio management services to a wide array of CIB and CI Capital clients, offering full-discretionary services to high net worth individuals and institutional investors. Clients are provided with comprehensive personalized services, which are tailored to their investment and reporting requirements.

The list of existing and targeted clients includes Egyptian banks, insurance companies and financial institutions, as well as pension funds.

2008 Accomplishments

- The first Asset Management Company to apply "Risk Measurement Analysis", in turn allowing for efficient asset allocation in terms of minimizing risk while maximizing returns.
- Performance Enhancements, marked by "Osoul" which was ranked as the best performing money market fund in 2008.
- Despite the declining equity market, CIAM outperformed Case 30 index.



CI Capital Research

Profile

CI Capital Research was established in 2005 as an independent research house to serve the Group's institutional and retail clients. The company was later integrated with-in CI Capital Holding. CI Capital research used to be the Research Department of CIBC since 1998. The research team comprises some of the most experienced and top ranked equity and industry analysts in Egypt.

The equity research team includes certified analysts covering the various sectors and companies traded in the Egyptian stock market. In fact, the industry research team supports investors in their investment-decision process in the Egyptian market through in-depth studies that cover several sectors. Moreover, the economic research team tracks, analyzes and projects macroeconomic indicators in the Egyptian market, which feed into equity and industry research analysis.

2008 Accomplishment

With the arrival of a new international head of research, our research output has gone through radical changes in content, coverage and look, thus producing our first annual Egypt Book.

Last November, CI Capital successfully organized a road show in Dubai, in which CI Capital management presented the vast investment opportunities in Egypt for a large group of international investors. Dubai road show successfully opened several channels with reputable international investment houses that are willing to increase their investment scope to include Egypt in cooperation with CI Capital Group.



Haykala Investment Managers

Profile

Haykala Investment Managers ("Haykala") is an Egyptian private equity company founded in 2005 by Commercial International Bank ("CIB") and three members of Haykala's management team. The company's other shareholders comprise high net-worth individuals, institutional investors and Haykala's management team. Haykala is managed by a team of professionals with substantial experience in private equity, banking, corporate finance, as well as energy.

The primary objective of Haykala is to achieve superior levels of return by taking advantage of the buyout and private equity opportunities available in Egypt and the Middle East. Haykala aims to generate value from its investments by implementing growth and expansion plans, restructuring and turnaround efforts, optimizing operations, restructuring debts and divesting non-core assets. Haykala aims at acquiring controlling stakes in invested companies engaging in industries with good prospects in terms of growth, stable business cycles and resistance to recession.

2008 Accomplishment

In 2008, Haykala focused its efforts on supporting the growth of its portfolio companies and preparing some companies for possible divestment and exit, despite the difficult market and financial conditions witnessed throughout the year.



Commercial International Life Insurance Company

Profile

Now in its ninth year of operations, Commercial International Life Insurance (CIL) continues to achieve tremendous year on year growth. The success has been driven by developing strong alliances with CIB and other bank partners; who share our vision of providing value-for-money life insurance and savings products. Through a proven bank assurance sales model, CIL targets both; individual and corporate customers.

2008 Accomplishments

CIL now has over 40,000 individual customers and manages around 130 corporate schemes, providing retirement benefits and life insurance cover for in excess of 213,000 individual members.

The focus **moving forward** will remain unchanged and can be summarised as follows;

- Continued incremental growth in the Embedded Value of the business, creating real value for our shareholders.
- Achieving strong new business sales results, with increased focus on quality sales and improving persistency.
- Providing good value-for-money products, continually raising the competitive bar in the market place.
- Providing our customers with exceptional customer service, measured by business turnaround times and premium persistency.

We are committed to continue working hard with our partners, particularly CIB, to broaden and deepen our business synergies; thereby continuing to add significant value into CIL and providing our customers with real choice and flexibility. CIL has been an active participant in the development of the Egyptian Insurance Sector and will maintain that focus, through its membership of the Egyptian Insurance Federation.



Cotecna Trade Support (CTS)

Profile

CTS was established in 2005, to provide Collateral Management and Stock Monitoring services to the **business community in Egypt**. CIB holds 40% of the shares, whereas, the Swiss Company "Cotecna Inspection Services S.A.", a market leader in trade finance related services, holds 60%.

The services provided by CTS allow the use of commodities and other goods as collateral security in the context of a loan. Additionally, the imported goods can be inspected and monitored at origin until the arrival to the final destination, to ensure their compliance and conformity with the agreed specifications.

The Client's and the Lender's requirements are of key concern, where CTS studies and considers carefully each case, to offer suitable services.

2008 Accomplishments

By the end of 2008, the Company had more than USD 30 million value of goods under management which is almost double the value managed during 2007, including soft commodities, livestock, vehicles, grain, sugar and others.



International Appraisal and Collection Company

Profile

IACC was established in 2007 as an Egyptian joint stock company. CIB is the largest shareholder, with 40% stake of the company's capital, while the National Bank of Egypt owns 20%, CIB Social Insurance funds 16% and the residual is divided among various investors.

IACC specializes in the evaluation of real estate and movable assets, including, but not limited to, the machines, equipments, ships, touristic villages, vehicles and products. The company also conducts inquiries and field investigations on the individuals and companies, in addition to debt collection. Moreover, the company performs the ownership research procedures for real estate and movable assets, as well as, providing assistance in legalizing in kind rights (registration and mortgaging of lands and buildings) and incorporation of companies.

In addition, IACC sells real estate and movable assets through public auctions or closed proposals.

2008 Accomplishments

- Offering inspection and damage evaluation services
- IACC was recognized by the CBE as one of the recommended experts in collateral evaluation



Egypt Factors

Profile

Egypt Factors (EGF) is the first factoring company in Egypt, with an authorized capital of USD 15 million and paid-in capital of USD 5 million. EGF is a joint venture between CIB and the Maltese based bank FIMBank, where each have a 40% equity share, as well as the IFC, holding 20% equity stake.

Product Type

EGF focuses on supporting domestic and international trade, through providing the companies that conduct transactions on an open account deferred payment basis, with a wide range of services. These include: domestic factoring, import factoring, export factoring and purchase factoring.

The factoring package involves administration and collection of accounts receivables, protection against the default of the buyers and immediate funding.

Target Market

The company targets all producers, traders, and service providers conducting transactions based on short term deferred payments. For large corporations, factoring is advantageous, since it protects them and improves their efficiency and financial ratios. However, factoring is still considered more beneficial to the SMEs, in terms of liquidity and growth.

2008 Accomplishments

- Export Factoring was officially launched in November 2008 through the "Egypt Trade & Export Finance Forum".
- Announcing the initiation of Domestic Factoring.



International Security and Services Company

Profile

International Security and Services Company (Falcon) has been established during 2006 as a CIB subsidiary engaged in the provision of various security services for the Bank its affiliated companies, as well as third party entities.

CIB holds a stake of 40% in the company's capital. The company's services consist of securing and protecting facilities and VIPs, providing High-Tech industrial and non-industrial security systems, and offering security consultation as well as physical funds transfer. The company also provides consultancy and training programs in industrial safety. Recently the technical sector assembled explosive detectors robot, which is utilized also in riot incidents.

2008 Accomplishments

During 2008, the company has succeeded to sign significant contracts with reputable institutions in Egypt, including but not limited to World Bank, U.N., foreign embassies as well as a significant number of additional corporate customers (petroleum co.'s, tourism co.'s...etc.). Thanks to these efforts, the number of security, cash transfer and technical support signed contracts has been increased significantly by 30.5%, 44.35% and 446.7% respectively in 2008 as compared to 2007. Besides its three branches in Cairo the company now operates in Tenth of Ramadan, Sixth of October, Alexandria, The Red Sea, Sharm El Sheikh, Assyout, Luxor and Aswan with a headcount of 2,191 employees.



Corporate Leasing Company Egypt S.A.E

Profile

Corplease is one of the leading leasing and asset finance companies in Egypt. The Company started operating in May 23, 2004 and has since built up a strong client base of mid and large cap corporations in various segments of the economy.

Large and medium ticket leasing transactions in selected industries is our focus, where the professional and experienced management team and staff come up with tailor made leasing solutions to meet the clients' needs and budgets.

2008 Accomplishments

- Achieved favorable growth in terms of business volume, market share and name recognition, while continuing to enjoy a high level of portfolio credit quality. This has been achieved through expanding and diversifying the funding relationships with several local banks.
- Concluded the first lease backed securitization issue in Egypt and the Middle East with resounding success.
- Large investments in terms of internal development, work processes, internal capabilities and internal controls, while addressing the development of distribution channels and examining the establishment of branches outside Cairo.
- Signed a Joint Venture Agreement with a major regional group, to acquire 50% of their leasing subsidiary which is expected to start operations in 2009.

The Company is well positioned to record high levels of growth in 2009 and the next few years, capitalizing on our positive market, sound financial condition, well diversified banking relationships and business model and workforce.

To build and develop long- term relationships with clients is our strategy.

“The most important single ingredient in the formula of success is knowing how to get along with people.”



08

A N N U A L R E P O R T

Corporate Social
Responsibility



Corporate Social Responsibility

Being committed to the community where we live as well as our work environment, corporate social responsibility plays a fundamental part of the way we conduct business at CIB. Our business nature has an effect on our environment and on the lives of millions of people across Egypt. Hence, we possess a unique approach for CSR, which highlights six key areas where we have a significant impact on.

1) Committed to Taking Every Reasonable Step to Ensure the Health and Safety of our Community

Providing direct financial contributions to Children's Cancer Hospital 57357 as well as donations to Cairo University Pediatrics Hospital (Abu El Reesh Hospital – Public Hospital)

2) Contributing to our Community Sponsorships and Social Involvement

CIB's financial sponsorships and donations are focused on projects that help communities achieve their goals; like Misr El-Khair Foundation and Yehia Arafa Children's Charity Foundation (Private Sector Organization that provides financial support or public hospitals within Cairo).

The Egyptian Food Bank The first non-governmental organization overcoming hunger in Egypt, through accepting monetary and moral support from different organizations and individuals to supply appropriate food to the truly needy on a continuous basis.

Art Sponsorship CIB regularly sponsors art galleries organized by the Ministry of culture, with the aim of encouraging painters on different levels and their apprenticeship.

CIB is also recognized as a significant collector of Egyptian art.

Our Employees and the Community The Bank provides its staff with the necessary resources in terms of funding and training, in order to make a positive contribution within the community.

3) Being Environmentally Responsible Funds Directed to Social Development

CIB has a specialized division which handles development funds and finance programs provided by governmental and international donors. These funds are known for their low interest rates and simple application procedures. The program aims to create new job opportunities and higher income amongst rural populations with special emphasis on women and small farmers. Moreover, CIB is engaged in environmental friendly projects designed for the

preservation of natural resources as well as the public commitment to Human Rights which recognized CIB by Realizing Rights and Business & Human Rights Resource Centre.

4) Achieving Employee Satisfaction

In 2008, we employed 914 people across the Bank and aim to be the employer of choice. We believe that the comfort and the skilled development of our employees are essential to our growth and success. The employee satisfaction survey that was conducted during 2008 showed outstanding results compared to the four surveys that were previously conducted

(See Figure below)



“Serving All-Embracing Communities”

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5) A Fascinating Customer Experience

Our customer service distinguishes us from our competitors. Our objective is to provide best in class levels of service, in fact, this is what we have been working on since the year 2007 that will earn us customer trust and loyalty.

6) Meeting our Shareholders Expectations

We encourage a two-way dialogue with existing and potential investors and business commentators. We understand the worth of transparency and integrity; and hence according to that conviction we do our business, which creates a better understanding of our institution and better business relationships.



“Some of us will do our jobs well and some will not, but we will be judged by only one thing, the result.”



08

A N N U A L R E P O R T

Financial Statements



Financial Statement

A. CIB Stand-alone

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

KPMG Hazem Hassan
Public Accountants & Consultants

AUDITORS' REPORT

To the Shareholders of
Commercial International Bank (Egypt)

Report on the unconsolidated financial statements

We have audited the accompanying unconsolidated financial statements of Commercial International Bank (Egypt) S.A.E, which comprise the unconsolidated balance sheet as at 31 December 2008 , and the unconsolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the unconsolidated Financial Statements

These unconsolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 27, 2002 and it's amendments, including amendments that relates to financial investments issued on December 16, 2008 and in light of the prevailing Egyptian laws , management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these unconsolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the unconsolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the unconsolidated financial statements.

Opinion

In our opinion, the unconsolidated financial statements referred to above present fairly, in all material respects, the unconsolidated financial position of Commercial International Bank (Egypt) as of December 31, 2008 and of its financial performance and its cash flows for the year then ended in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 07, 2002 and its amendments, including amendments that relates to financial investment issued on December 16, 2008 and the Egyptian laws and regulations relating to the preparation of these financial statements.


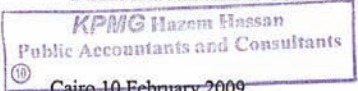
Report on Other Legal and Regulatory Requirements

According to the information and explanations given to us – during the financial year ended December 31, 2008 no contravention of the central bank, banking and monetary institution law No. 88 of 2003.

The Bank maintains proper books of account, which include all that is required by law and by the statutes of the bank, the unconsolidated financial statements are in agreement thereto.

The unconsolidated financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Auditors


Ehab Akl
Capital Market Authority registration
number "9"
KPMG Hazem Hassan
Public Accountants & Consultants

Cairo-10 February 2009


Nabil Istanbouli
Capital Market Authority registration
number "71"
Allied For Accounting & Auditing E&Y
Public Accountants & Consultants



Financial Statement

A. CIB Stand-alone

Commercial International Bank (Egypt) S.A.E. **Balance Sheet Unconsolidated** as of Dec. 31, 2008

	Note No.	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
Assets			
- Cash & Due From Central Bank	(4)	6,493,358,437	4,953,205,430
- Due From Banks	(5)	4,391,051,249	13,782,062,043
- Treasury Bills and other Governmental Notes	(6)	12,449,007,406	2,948,674,319
- Trading Financial Assets	(7)	497,554,487	588,473,270
- Loans & Overdrafts	(10&11)	26,330,327,878	20,478,590,841
- Financial Derivatives	(12)	704,890,792	75,307,833
- Financial Investments:			
Available for Sale	(8)	2,762,232,983	2,347,587,666
Held to Maturity	(8)	681,263,274	443,894,166
- Financial Investments in Subsidiary and Associated Co.	(13)	1,138,332,672	365,723,936
- Debit Balances & Other Assets	(15)	942,621,482	1,020,565,573
- Deferred Tax		21,840,568	52,819,475
- Fixed Assets (Net)	(16)	715,251,587	607,104,820
- Total Assets		57,127,732,815	47,664,009,372
Liabilities & Shareholder's Equity			
Liabilities			
- Due to Banks	(17)	213,470,012	2,377,082,435
- Customers Deposits	(18)	48,938,109,663	39,514,539,992
- Financial Derivatives	(12)	636,914,744	63,166,763
- Dividends & Profit Sharing		-	336,727,470
- Credit Balances & Other Liabilities	(19)	1,194,593,545	735,103,795
- Long Term Loans	(20)	109,273,933	161,356,219
- Other Provisions	(21)	363,218,186	395,332,813
- Total Liabilities		51,455,580,083	43,583,309,487
Shareholders' Equity			
- Issued & Paid - in Capital	(22)	2,925,000,000	1,950,000,000
- Reserves	(22)	1,033,696,029	2,089,911,959
- Reserve for employee stock ownership plan (ESOP)	(30)	86,727,903	29,159,584
- Retained Earning		11,628,342	11,628,342
- Total Shareholders' Equity		4,057,052,274	4,080,699,885
- Net Profit of the year		1,615,100,458	-
- Total Shareholders' Equity & Net Profit		5,672,152,732	4,080,699,885
- Total Liabilities & Shareholders' Equity		57,127,732,815	47,664,009,372
- Contingent Liabilities & Commitments	(23)	13,290,994,705	11,559,866,680

Commercial International Bank (Egypt) S.A.E. **Income Statement Unconsolidated** For Year Ended Dec. 31, 2008

	Note No.	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
- Interest and similar income	(24)	3,772,875,880	2,993,373,614
- Interest and similar Expenses	(24)	(1,963,661,240)	(1,796,702,031)
Net Interest Income		1,809,214,640	1,196,671,583
- Fees & Commissions Income		686,456,733	547,669,248
- Fees & Commissions Expense		(73,587,145)	(25,286,540)
Net Income From Fees & Commissions		612,869,588	522,382,708
- Dividends Income		141,572,634	66,158,925
- Net Trading Income	(25)	337,579,386	276,191,855
- Provisions	(11&21)	(394,545,539)	(250,416,667)
- Profit (Losses) from Financial Investments	(8)	115,831,055	226,135,001
- Administrative Expenses		(949,681,007)	(636,363,618)
- Other Operating Income	(9)	183,048,413	181,676
Net Profit Before Tax		1,855,889,170	1,400,941,463
- Income Tax	(28)	(209,809,805)	(180,303,950)
- Deferred Tax	(27)	(30,978,907)	12,186,756
Net Profit After Tax		1,615,100,458	1,232,824,269
- Earning Per Share			
- Basic	(29)	4.89	3.73
- Diluted	(29)	4.84	3.71

Commercial International Bank (Egypt) S.A.E. **Cash flow Unconsolidated** For Year Ended Dec. 31, 2008

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
Cash Flow From Operating Activities		
- Net Income before tax	1,855,889,170	1,400,941,463
Adjustments To Reconcile Net Income To Net Cash Provided by operating activities		
- Depreciation	153,818,325	120,918,839
- Provisions (Formed during the year)	394,545,539	250,416,667
- Trading financial investments evaluation differences	87,784,923	(7,680,871)
- Impairment of assets	54,837,345	(4,185,378)
- Utilization of Provisions (Except Provision for Doubtful Debts)	(10,943,385)	-
- Provisions No Longer required	(165,365,215)	(7,036,600)
- FCY Revaluation Differences of Provisions Balances (Except Doubtful Debts)	516,745	(1,904,981)
- Gains From Selling Fixed Assets	(5,052,568)	(1,269,870)
- Profit From Selling Financial Investments	(219,181,953)	(174,061,817)
- Profits From Selling an Investment in Subsidiary	(50,258,991)	(148,393,558)
- FCY Revaluation Diff.of Long Term Loans	(922,993)	1,733,674
- Share based payments	57,568,319	29,159,584
Operating Profits Before Changes in- Operating Assets & Liabilities	2,153,235,261	1,458,637,152
Net Decrease (Increase) in Assets		
- Due From Banks	9,567,610,757	(7,960,703,701)
- Treasury Bills and Other governmental Notes	(7,353,852,038)	2,266,818,190
- Trading Financial Assets	3,133,860	306,349,739
- Financial Derivatives (Net)	(55,834,978)	(12,141,070)
- Loans & Overdrafts	(6,220,116,065)	(3,054,288,046)
- Debit Balances & Other Assets	(13,465,835)	(199,356,212)
Net Increase (Decrease) In Liabilities		
- Due to Banks	(2,163,612,423)	1,164,558,315
- Customers Deposits	9,423,569,671	7,914,312,794
- Credit Balances & Other Liabilities	418,646,064	(150,080,573)
- Income tax paid	(155,475,345)	(80,317,367)
Net Cash Provided from Operating Activities	5,603,838,929	1,653,789,221

Commercial International Bank (Egypt) S.A.E. **Cash flow Unconsolidated** For Year Ended Dec. 31, 2008

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
Cash Flow From Investing Activities		
- Sale (Purchase) Of Subsidiaries & Associated Companies	(772,608,736)	107,524,396
- Purchase of Fixed Assets , Premises and Fitting- out of Branches	(142,698,585)	(278,980,037)
- Redemption Of Held to Maturity Financial Investments	276,189,303	-
- Held to Maturity Financial Investment purchases	(513,558,411)	378,390,172
- Available For Sale Financial Investment	(200,041,718)	1,121,812,258
Net Cash (used in) Provided from Investing Activities	(1,352,718,147)	1,328,746,789
Cash Flow From Financing Activities		
- Increase (Decrease) in Long - Term Loans	(51,159,293)	60,455,684
- Dividends Paid	(336,727,470)	(287,235,147)
Net Cash (Used in) Financing Activities	(387,886,763)	(226,779,463)
Net Cash & Cash Equivalent Changes	3,863,234,019	2,755,756,547
- Beginning Balance of Cash & Cash Equivalent	6,779,152,548	4,023,396,001
Cash & Cash Equivalent Balance At the End of the year	10,642,386,567	6,779,152,548
Cash & Cash Equivalent are Represented as Follows :		
- Cash and Due from Central Bank	6,493,358,437	4,953,205,430
- Due from Banks	4,391,051,249	13,782,062,043
- Treasury Bills and Other Governmental Notes	12,449,007,406	2,948,674,319
- Due from Banks (Time Deposits)	(3,696,607,777)	(13,264,218,534)
- Treasury Bills with maturity more than three months	(8,994,422,748)	(1,640,570,710)
Total Cash & Cash Equivalent	10,642,386,567	6,779,152,548

Commercial International Bank (Egypt) S.A.E. **Statement of Changes in Shareholders' Equity Unconsolidated** as of Dec. 31, 2008

2007	Capital		Legal Reserve		General Reserve		Retained Earning*		Special Reserve		Reserve for A.F.S. investments *		Reserve for employee stock ownership plan (ESOP)		Total
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		
Balance at Beginning of The Year	1,950,000,000		371,230,872		548,482,934		-		162,709,903		7,458,634		-		3,039,882,343
Effect of Adjusting Accounting Standards	-		-		-		61,784,246		332,016		80,445,723		-		142,561,985
Beginning Balance After Adjustments	1,950,000,000		371,230,872		548,482,934		61,784,246		163,041,919		87,904,357		-		3,182,444,328
Effect of Adjusting Accounting Standard	-		-		-		(50,155,904)		50,567,396		-		(411,492)		-
Transfer to Reserves	-		61,620,639		834,064,668		-		-		-		(895,685,307)		-
Dividends Paid	-		-		-		-		-		-		(336,727,470)		(336,727,470)
Usage Part of Reserve	-		-		-		-		(27,000,826)		-		-		(27,000,826)
Adjusted Net Profits of The Year	-		-		-		-		-		-		1,232,824,269		1,232,824,269
Reserve For Employees Stock Ownership plan (ESOP)**	-		-		-		-		-		-		29,159,584		29,159,584
Balance at The End Of The Year	1,950,000,000		432,851,511		1,382,547,602		11,628,342		213,609,315		60,903,531		29,159,584		4,080,699,885
2008															
Balance at Beginning of The year	1,950,000,000		432,851,511		1,382,547,602		11,628,342		213,609,315		60,903,531		29,159,584		4,080,699,885
Retained Earning	-		-		-		-		-		-		-		-
Net Profits of The year	-		-		-		-		-		-		1,615,100,458		1,615,100,458
Capital Increase *	975,000,000		-		(975,000,000)		-		-		-		-		-
Usage Part of Reserve	-		-		-		-		-		(81,215,930)		-		(81,215,930)
Reserve For Employees Stock Ownership plan (ESOP)**	-		-		-		-		-		-		57,568,319		57,568,319
Balance At The End Of The year	2,925,000,000		432,851,511		407,547,602		11,628,342		213,609,315		(20,312,399)		86,727,903		5,672,152,732

*Refer to note number (22)

**Refer to note number (30)

Commercial International Bank (Egypt) S.A.E.
Notes to the Unconsolidated Financial Statements
For the Financial Year
from January 1, 2008 to December 31, 2008

(1) Organization and Activities

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

Commercial International Bank (Egypt) S.A.E. was formed as a commercial Bank 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 & five branches, in addition to forty eight units.

(2) Significant Accounting Policies

A) Basis of Preparing Financial Statements

- The Unconsolidated Financial Statements are prepared in accordance with the Central Bank of Egypt regulations issued on 27th of June 2002 and its amendments in addition to amendments made to the financial investments issued on December 16, 2008 and in accordance with the related Egyptian laws and regulations.
- The available for sale investments measurement have been changed as at 1st of January 2008 as explained in note 2 (F) and (G), from the lower of cost (taking into consideration the FX revaluations) or fair value with the differences to "Income Statement" to fair value with changes to equity. The reclassification impact appears on the "Statement of Changes in Shareholders Equity" and the adjustments related to the previous years have been done retrospectively.
- As a result of applying the new policies, all outstanding derivatives on the 1st of January 2008 have been recognized in the balance sheet and measured at fair value and the policy has been applied rate respectively.

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.
- Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the balance sheet date. Currency translation differences on all monetary financial assets and liabilities are reported in the income statement in the following items:
 - Net trading income or net income arising from financial instruments originally classified as change in fair value through profit and loss for financial assets / liabilities held for trading or originally recorded at fair value through profit and loss.
 - Other operating income (loss) for other items.
- The changes in fair value arising from monetary financial instruments classified as monetary items foreign currencies as available for sale (Debt Instruments) should be segregated to revaluation differences arising from changes in the instrument amortized cost to be recorded in "income from loans" and differences arises from foreign exchange rate changes to be recorded in "other operating income" and differences arises from change in fair value to be recorded in "fair value reserve for available for sale investments".
- Translation differences on non-monetary items (equity securities) held at fair value through income are also reported through income statement whereas for those classified as available-for-sale are recorded directly in equity within 'Net unrealized gains and losses on available-for-sale assets' item.

C) 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 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 Balance Sheet and accounted for at amortized cost using the effective interest rate.

E) Financial Assets Designated at fair value through income:

- Consists of financial assets held for trading & financial assets that the bank upon initial recognition designates to be measured at fair value with changes reported in income.
- Financial instruments held for trading are those that the Bank holds primarily for the purpose of short-term profit-taking or if it represents a part of specified financial instruments portfolio and there is an evidence of short-term profit-taking. Also derivatives are classified as held for trading unless the derivatives are qualified under hedging accounting.
- Financial assets designated at fair value through income statement are recognized when it relates to an investment portfolio that are managed and evaluated on a fair value basis according to the investment strategies and the risk management and been reported to the senior management according to that basis.
- Any derivative or financial instrument that designated to be measured at fair value with changes through profit and loss is not reclassified during the holding period from the group of financial instruments if it is initially classified as change in fair value through profit and loss.
- At all circumstances the bank should not reclassify any financial instrument into financial instrument measured at fair value with changes through profit and loss or to financial assets held for trading.

F) Held to Maturity Investments

- Held to Maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the bank management has the ability and the intent to hold it for the foreseeable future or maturity. Any sales of a significant amount not close to their maturity -except the emergency cases - would result in the reclassification of all held to maturity investments as available-for-sale.

G) Available-for-sale Investments

- Non-derivative assets that have either been designated as available for sale or do not fit into one of the categories described above. Equity investments held without significant influence, which are not held for trading or elected to fair value through income, are classified as available-for-sale.

H) Financial Assets

- For the assets classified at fair value through P/L, held to maturity investments and available for sale investments buying and selling operations are recognized as usual on the trade date which is the date that the bank is committed to buy or sell the financial asset.
- A financial asset that does not originally classify at fair value through P/L is initially recognized at fair value plus transaction costs. A financial asset that is originally classified at fair value through P/L is initially recognized at fair value only and the transaction costs are transferred to P/L in "Net income from trading activities".
- A financial asset is derecognized when the rights to receive cash flows have expired or the Bank has transferred substantially all the risks and rewards of ownership.
- Available for sale investments and financial assets designated at fair value through P/L are subsequently held at fair value whereas held to maturity investments are measured at amortized cost using the effective interest rate method.
- Gains and losses arising from changes in the fair value of available-for-sale assets should be recognized directly in equity, through the statement of changes in equity, until the financial asset is sold, collected, or otherwise disposed of, at which time the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.
- Monetary assets' interest income is recognized based on the amortized cost method in the income statement. The foreign currency revaluations differences related to available for sale investments are recognized in the income statement. Available for sale equity instruments related dividends are recognized in the income statement when they declared.
- Fair values are obtained from quoted market prices in liquid markets. Where no active market exists, or quoted prices are unobtainable, the fair value is estimated using a variety of valuation techniques – including discounted cash flow and other pricing models. Inputs to pricing models are generally market-based when available and taken from reliable external data sources. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity may measure the equity instrument at cost minus any impairment losses.
- Debt instruments can be reclassified from the available for sale investments to held to maturity investments at fair value when the bank has the intention and ability to hold to maturity. Any related Profits and losses that was previously recognized in equity are treated as follows:
 - Financial assets with fixed or determinable payments and fixed maturity valued at amortized cost, using the effective interest method in case of impairment the profits & losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.
 - Profits & losses related to financial assets without fixed or determinable maturity are held in equity till selling or dispose the asset then removed from equity and recognized in the income statement. In case of impairment the profits & losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.

I) Investments in Subsidiaries and Associated Companies

- These investments are evaluated at cost and in case of impairment of its fair value; the book value of each investment is adjusted by such impairment and charged to 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) Netting

- Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize an asset and settle the liability simultaneously.
- Treasury Bills, Repos & reverse Repos agreements are netted on the balance sheet in 'Treasury Bills and other discountable notes at CBE'.

K) Derivatives & Embedded Derivatives

- Derivatives are measured initially at fair value and subsequently re-measured at fair value. Fair values are obtained from quoted prices prevailing in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are included in assets when their fair value is positive and liabilities when their fair value is negative.

L) Repos & (Reverse Repos) Transactions

- Repos (Reverse Repos) agreements 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 using the effective interest method.

M) Impairment of financial assets

M/1) Financial Assets held to maturity

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets is impaired. A financial asset or portfolio of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the balance sheet date ('a loss event') and that loss event or events has had an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated. Objective evidence that a financial asset or a portfolio is impaired includes observable data that comes to the attention of the Bank about the following loss events:

- Significant financial difficulty of the issuer or obligor;
- It becomes probable that the borrower will enter bankruptcy or other financial Re-organization.

M/2) Available-for-sale Investments

- The Bank assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets under available for sale investments or held to maturity investment is impaired. In the case of equity instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether impairment exists.

N) 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.

O) 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 loans and contingent accounts in addition to general percentages from one to five according to the basis of appraising the customer's credit worthiness issued by the central bank of Egypt on 6th of June 2005.
- Provision for Doubtful Debts decreases by loans written off and increases 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.

P) Contingent Liability Accounts

- Contingent Liability Accounts include transactions in which the Bank is involved as a third party. Such transactions do not represent actual bank's assets or liabilities at the Financial Statement date.

Q) 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.

R) Depreciation and Amortization:

- Depreciation of Fixed Assets (except for 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.

S) Share-based payments to employees

- The Bank engages in equity settled share-based payment transactions in respect of services received from eligible employees.
- The fair value of the services received is measured by reference to the fair value of the shares or equity instruments granted on the date of the grant. The cost of the employee services received in respect of the shares or equity instruments granted is recognized in the income statement over the period that the services are received, which is the vesting period.
- The bank estimate of each balance sheet date the number of options expected to be exercised and account for the change in original estimates, if any, in income statement with the opposite equity account on the remaining period.
- The net amount received by employees after calculating any related cost will be accounted in capital with par amount and premium account at the date of exercising the option.

T) 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 "

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.

B) 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 fluctuates 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.

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:
 - 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) Accounting estimates and assumptions

- The preparation of financial statements requires management to make subjective judgments and estimates, at times, regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures. Those judgments and estimates are based on historical experience and other factors containing the expectations of the future events that are reasonable estimated in accordance of the available conditions & information.
- The most significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

A) Impairment of the available for sale equity instruments:

- In the case of available for sale financial investments, a significant or Continuous decline in the fair value of the security below its cost is considered as impairment. Where such evidence exists, significant or Continuous decline needs a personal judgment. To make this judgment the bank assesses –besides other factors- the common share price volatility. In addition, impairment exists when there is objective evidence that a certain company has a financial difficulty in its cash flow from operating and financing activities, industry tool or sector or technological advances.

- If each significant or Continuous decline in the fair value of the security below its cost is considered, the bank will charge an additional loss of EGP 20,312,399 represents transferring all the fair value reserve to P/L.

B) Derivatives' Fair Value:

- For the unquoted financial instruments, the fair value is determined using a variety of valuation techniques which are tested and reviewed periodically by high qualified staffs that are independent of those who created the models. The models used are validated prior put into use. Inputs to pricing models are generally market-based when available and taken from reliable external data sources. While areas like the bank credit risk, counterparties, volatility and correlations require management to make judgments & estimations. Changes in the assumptions related to these factors may affect the financial instruments fair values which have been disclosed.

C) Held to maturity Investments:

- Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity. This category requires personal judgment therefore the bank tests whether there is a genuine intent and ability to hold such investments to maturity. If the bank fails to hold such investments till maturity (except for certain tightly defined circumstances such as if an entity sells an insignificant amount of held-to-maturity investments close to maturity date), investments should be reclassified as available-for-sale, which will be measured at fair value instead of amortized cost.
- If the bank fails to hold such investments till maturity. The investment book value will be increased (decreased) with EGP 54,035,585 to reach the fair value against the fair value reserve in equity.

4- Cash And Due From Central Bank

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Cash & Cash Items	1,085,952,584	1,081,319,202
- Reserve Balance with CBE		
(A) Current Accounts	3,387,059,358	1,996,073,908
(B) Time Deposits	2,020,346,495	1,875,812,320
Total Cash & Due From Central Bank	6,493,358,437	4,953,205,430

5- Due from Banks

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
(A) Central Bank		
- Time Deposits	400,757,450	7,391,521,850
Total Due from central bank	400,757,450	7,391,521,850
(B) Local Banks		
- Current Accounts	65,708,935	8,788,772
- Time Deposits	309,143,900	155,000,000
Total Due from Local Banks	374,852,835	163,788,772
(C) Foreign Banks		
- Current Accounts	628,734,537	509,054,737
- Time Deposits	2,986,706,427	5,717,696,684
Total Due From Foreign Banks	3,615,440,964	6,226,751,421
Total Due From Banks	4,391,051,249	13,782,062,043

6- Treasury Bills and other Governmental Notes

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- 91 Days Maturity	3,515,475,000	1,313,750,000
- 182 Days Maturity	1,951,800,000	748,800,000
- 364 Days Maturity	5,627,175,000	970,750,000
	11,094,450,000	3,033,300,000
- Unearned Income	(612,265,165)	(84,625,681)
Total	10,482,184,835	2,948,674,319
Reverse Repos	1,966,822,571	-
	12,449,007,406	2,948,674,319

7- Financial Assets For Trading

	Dec. 31, 2008	Dec. 31, 2007
	EGP	EGP
Debt Instruments		
- Government Bonds	101,369,914	51,603,627
- Other Debt Instruments	44,776,795	64,370,759
Total Debt Instruments	146,146,709	115,974,386
Equity Instruments		
- Foreign Company Shares	59,440,478	100,666,274
- Mutual Fund	291,967,300	371,832,610
Total Equity Instruments	351,407,778	472,498,884
Total Financial Assets For Trading	497,554,487	588,473,270

8- Financial Investment

	Dec. 31, 2008	Dec. 31, 2007
	EGP	EGP
Financial Investment Available for Sale		
- Debt Instruments Listed - Fair Value	1,921,272,094	1,462,208,120
- Equity Instruments Listed - Fair Value	244,823,746	291,333,688
- Unlisted Instruments	596,137,143	594,045,858
Total Financial Investment Available for Sale (1)	2,762,232,983	2,347,587,666
Financial Investment Held to Maturity Debt Instruments		
- Listed	306,374,803	311,494,817
- Unlisted	374,888,471	132,399,349
Total Financial Investment Held to Maturity (2)	681,263,274	443,894,166
Total Financial Investment (1+2)	3,443,496,257	2,791,481,832
Listed Balances	2,472,470,643	2,065,036,625
Unlisted Balances	971,025,614	726,445,207
Total	3,443,496,257	2,791,481,832
Fixed Interest Debt Instruments	1,832,967,710	1,339,637,012
Variable Interest Debt Instruments	769,567,658	566,465,274
Total	2,602,535,368	1,906,102,286

	Financial Investment Available for Sale	Financial Investment Held to Maturity	Total
Opening Balance 1/1/2007	3,178,163,512	822,284,338	4,000,447,850
Addition	1,814,992,095	-	1,814,992,095
Deduction (Selling - Recovery)	(2,673,473,661)	(364,198,645)	(3,037,672,306)
Differences in revaluation of the Cash Assets in Foreign Currencies	(24,742,206)	(14,191,527)	(38,933,733)
Profit from Fair value Difference	56,833,304	-	56,833,304
Deduct - Impairment Losses	(4,185,378)	-	(4,185,378)
Ending Balance 31/12/2007	2,347,587,666	443,894,166	2,791,481,832
Opening Balance 1/1/2008	2,347,587,666	443,894,166	2,791,481,832
Addition	11,153,380,395	512,915,742	11,666,296,137
Deduction (Selling - Recovery)	(10,611,700,507)	(273,556,529)	(10,885,257,036)
Differences in revaluation of the Cash Assets in Foreign Currencies	(7,219,107)	642,669	(6,576,438)
Profit from Fair value Difference	(81,995,801)	-	(81,995,801)
Deduct - Impairment provision	(37,819,662)	(2,632,774)	(40,452,436)
Ending Balance 31/12/2008	2,762,232,984	681,263,274	3,443,496,258

Profit (Losses) from Financial Investment

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Profit (Losses) from selling Available for Sale Financial Instruments	120,409,400	122,815,034
Losses from Impairment of Equity Instruments Available for Sale	(47,618,230)	(29,016,847)
(Losses) From Available for Sale Debt Instruments Reverse of Impairment	(7,219,106)	(16,056,744)
Profit (Losses) from Selling Investments in Subsidiaries and associates.	50,258,991	148,393,558
Total	115,831,055	226,135,001

An Amount Of EGP 207,246,166 Classified as of Held To Maturity Investment Instead Of Available For Sale Investment

9- Other Operating Income

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Profits (Losses) From Assets & Liabilities Revaluation Except Trading	8,676,929	13,024,355
Profits (Losses) From Selling Equipments And Fixed Assets	5,052,568	1,269,870
Recovery From Other Provisions	165,365,215	-
Others	3,953,701	(14,112,549)
	183,048,413	181,676

10- Loans and Overdrafts

	Dec. 31, 2008	Dec. 31, 2007
	EGP	EGP
- Discounted Bills	795,836,842	369,367,153
- Loans & Overdrafts to Customer	26,867,609,401	20,979,609,432
- Loans & Overdrafts to Banks	344,498,810	501,437,453
	28,007,945,053	21,850,414,038
- Unearned Bills Discount	(119,310,349)	(33,299,487)
- Provision For Doubtful Debts	(1,408,297,328)	(1,089,969,238)
- Interest in suspense	(150,009,498)	(248,554,472)
Net Loans & Overdrafts	26,330,327,878	20,478,590,841

11- Provision For Doubtful Debts

Dec. 31, 2008	Specific	General	Total
	EGP	EGP	EGP
- Balance at Beginning of The year	491,530,222	598,439,016	1,089,969,238
- Formed During The year	175,941,000	169,634,015	345,575,015
- Recoveries from Written Off Debts	63,759,860	-	63,759,860
- Foreign Currency Revaluation Diff.	5,054,571	-	5,054,571
	736,285,653	768,073,031	1,504,358,684
- Usage During The year	(96,061,356)	-	(96,061,356)
Balance at The End of The year	640,224,297	768,073,031	1,408,297,328

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
- Formed During The year	91,524,201	101,480,050	193,004,251
- Recoveries from Written Off Debts	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 Specific to General Provision	(10,008,945)	10,008,945	-
Balance at the end of the Year	491,530,222	598,439,016	1,089,969,238

12- Financial Derivatives

The bank uses the following financial derivatives for non hedging purposes.

- * Forward contracts represents commitments of buying foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represents contractual commitments to receive or pay net amount on the basis of changes in foreign exchange rates or interest rates, and/or buying or selling foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.
- * Credit risk is considered low, and future interest rate contracts represents future exchange rate contracts negotiated for case by case, these contracts requires financial settlements of any differences in contractual interest rates and prevailing market interest rates on future dates based on contractual amount (nominal value) pre agreed upon.
- * Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts)/ contractual amounts are not exchanged except for some foreign exchange contracts
- * Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and to control continuously through comparisons of fair value and contractual amount, and to control the outstanding credit risk, the bank evaluates other parties using the same methods as in borrowing activities.
- * Options contracts in foreign currencies and/or interest rates represents contractual agreements for the buyer (issuer) to seller (holders) as a right not an obligations whether to buy (buy option) or to sell (sell option) at a certain day or within certain period for a certain amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between the bank and one of its client (Off balance sheet). The bank exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.
- * The contractual value for some derivatives options considered a base to compare the realized financial instruments on the balance sheet, but it didn't provide indicator on the projected cash flows of the fair value for current instruments, those amounts doesn't reflect credit risk or interest rate risk.
- * Derivatives in the banks benefit represent (assets) conversely it represents (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time and also the range through which the financial derivatives can be in benefit of the bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives.

For Trading Derivatives

Foreign Derivatives

	2008			2007		
	Amount	Assets	Liability	Amount	Assets	Liability
- Forward Foreign exchange contracts	2,572,060,181	31,916,357	31,680,875	3,603,088,630	9,729,116	8,983,093
- Currency swap	3,457,152,333	65,087,047	57,539,919	4,095,848,478	25,528,958	51,068,349
- Options	112,099,475	1,080,796	1,080,796	8,018,830	13,753	13,753
Total Derivatives (1)		98,084,200	90,301,590	-	35,271,827	60,065,195
Interest rate derivatives						
- Interest rate Swaps	1,730,052	63,646,403	3,452,965	1,728,760,514	40,036,007	3,101,568
Total Derivatives (2)		63,646,403	3,452,965		40,036,007	3,101,568
- Commodity	1,235,414,832	543,160,189	543,160,189			
Total Derivatives (3)		543,160,189	543,160,189		-	-
Total Assets (liability) For Trading Derivatives (1+2+3)		704,890,792	636,914,744		75,307,834	63,166,763

13- Financial Investments in Subsidiary and Associated Companies

	Dec. 31, 2008 EGP	%	Dec. 31, 2007 EGP	%
A- Subsidiary Companies:				
- Commercial International Capital Holding Co. *	1,045,411,957	99.98	275,511,540	50.09
B- Associated Companies:				
- Contact for Cars Trading	-	-	31,000,000	38.4
- Commercial International life insurance co.	44,520,250	45	32,000,000	40
- Corplease co.	32,000,000	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	10,751,715	39	3,763,646	39
- International. Co. for Appraisal & Collection.	1,000,000	40	400,000	40
- International Co. for Security & Services (Falcon)	4,000,000	40	4,000,000	40
	1,138,332,672		365,723,936	
The Financial Investments in subsidiary companies are represented as follows :-				
- Financial Investments listed in Stock Exchange	1,045,411,957		275,511,540	
- Financial Investments Unlisted in Stock Exchange	92,920,715		90,212,396	
	1,138,332,672		365,723,936	

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

14- Capital Commitments :-

- Financial Investments

The Capital Commitments For The Financial Investments Reached On The Date Of balance Sheet EGP198,681,919 as follows :-

	Investments value EGP	Paid EGP	Remaining EGP
Available for Sale Financial Investments	611,775,824	413,840,156	197,935,669
Financial Investments in Subsidiaries and associated companies	1,395,000	648,750	746,250

- Fixed Assets & Branches Constructions

The value of Commitments for the purchase of fixed assets contracts and branches constructions that have not been implemented till the date of financial statement amounted to EGP 4,904,068.

15- Debit Balances and Other Assets

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Accrued Revenues	406,019,416	460,512,142
Prepaid Expenses	53,438,701	52,588,918
Advances for Purchase of Fixed Assets	90,340,427	204,554,366
Assets Acquired as Settlement of Debts *	52,165,659	29,361,646
Accounts receivable & Other Assets ***	340,657,279	275,561,186
Accrued Balances of Customers Loans **	-	241,625,336
	942,621,482	1,264,203,594
Deduct		
Provision for General & Insurance Risk **	-	(243,638,021)
Total Debit Balances and Other Assets	942,621,482	1,020,565,573

* This Include The Value Of Premises That Was Not Recorded Under The Bank's Name By EGP 32,682,053 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 period required by law.

** 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 And The case Setteled During Year 2008

*** Include EGP 15,955,151 as Assets Held For Sale.

16- Net Fixed Assets (Net of Accumulated Depreciation)

	Dec. 31, 2008							Total EGP
	Land EGP	Premises EGP	IT EGP	Vehicles EGP	Fitting -Out EGP	Machines & Equipment EGP	Furniture & Furnishing 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
Additions (Deductions) During The year	1,283,388	35,162,427	113,059,285	305,448	50,089,658	47,603,582	14,461,304	261,965,092
Closing Balance (1)	61,069,448	333,362,619	519,256,213	21,076,715	189,733,497	217,017,167	91,283,428	1,432,799,087
Accu. Depreciation at Beginning of The year (4)	-	91,389,674	247,953,560	17,798,473	88,854,558	83,740,254	33,992,656	563,729,175
Current year Depreciation	-	15,144,584	71,612,245	1,348,769	33,149,425	23,025,895	9,537,407	153,818,325
Accu. Depreciation at end of The year (2)	-	106,534,258	319,565,805	19,147,242	122,003,983	106,766,149	43,530,063	717,547,500
End of year Net Assets (1-2)	61,069,448	226,828,361	199,690,408	1,929,473	67,729,514	110,251,018	47,753,365	715,251,587
Beginning of year 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%	20%	33.3%	12.5%	10%	

* Net fixed assets value on the Balance Sheet date includes EGP 73,303,957 non registered assets while their registrations procedures are in process.

17- Due to Banks

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
(a) Central Bank		
- Current Accounts	75,056,264	80,028,494
- Time Deposits	-	2,012,792,500
Total Due to Central Bank	75,056,264	2,092,820,994
(b) Local Banks		
- Current Accounts	19,309,126	24,932,808
- Time Deposits	-	28,480,310
Total Due to Local Banks	19,309,126	53,413,118
(c) Foreign Banks		
- Current Accounts	116,257,050	199,834,891
- Time Deposits	2,847,572	31,013,432
Total Due to Foreign Banks	119,104,622	230,848,323
Total Due to Banks	213,470,012	2,377,082,435

18- Customers' Deposits

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Demand Deposits	13,126,519,017	11,586,418,467
- Time & Notice Deposits	19,946,603,875	13,622,910,338
- Saving & Deposit Certificates	7,395,350,361	5,957,646,007
- Saving Deposits	7,316,052,948	6,517,256,544
- Other Deposits	1,153,583,462	1,830,308,636
Total Customer Deposits	48,938,109,663	39,514,539,992

19- Credit Balances and Other Liabilities

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Accrued Interest Payable	208,568,878	176,020,513
- Accrued Expenses	68,214,404	31,856,339
- Accounts Payable	674,949,796	300,867,471
- Income Tax	209,809,805	180,386,954
- Other Credit Balances	33,050,662	45,972,518
Total Credit Balances And Other Liabilities	1,194,593,545	735,103,795

20- Long Term Loans

	Rate %	Maturity date	Maturing through next year EGP	Balance as of Dec. 08 EGP	Balance as of Dec. 07 EGP
- F.I.S.C.	7	3-5 years	12,000,000	30,439,600	40,565,200
- K.F.W	9-10.5	10 years	6,935,659	16,010,946	15,195,955
- UNIDO	1	2011	517,480	847,580	8,038,908
- Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3-5 years	41,884,205	58,804,557	92,594,906
- Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3-5 years	65,000	125,000	10,000
- Social Fund	3 months T/D or 9% which more	2010	1,560,000	3,046,250	4,951,250
Total			62,962,344	109,273,933	161,356,219

21- Other Provisions

	Dec. 31, 2008 EGP					
	Opening Balance	Formed During the year	FCY Balance Reval. Difference	Usage During the year	Balance No Longer Required	Closing Balance
- Provision for Income Tax Claims	227,173,695	-	-	(10,264,010)	(70,000,000)	146,909,685
- Provision for Legal Claims	1,123,118	487,075	(1,194)	(337,886)	-	1,271,113
- Provision for Contingent	167,036,000	38,760,000	517,939	-	-	206,313,939
- Provision for Other Claim	-	9,723,449	-	(341,489)	(658,511)	8,723,449
Total Other Provisions	395,332,813	48,970,524	516,745	(10,943,385)	(70,658,511)	363,218,186

	Dec. 31, 2007 EGP					
	Opening Balance	Formed During the year	FCY Balance Reval. Difference	Usage During the year	Balance No Longer Required	Closing Balance
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

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 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 (ESOP) By Issuing A Maximum Of 5% Of Issued And Paid-In Capital At Par Value ,Through 5 Years Starting 31,Dec. 2006 And Delegated The Board Of Directors To Establish The Rewarding Terms & Conditions And Increase The Paid In Capital According To The Program.

(b) Reserves

- According To The Bank Statues 5% Of Net Profit Is To Increase Legal Reserve Until Reaches 50% Of The Bank's Issued And Paid In Capital
- Concurrence Of Central Bank Of Egypt For Usage Of Special Reserve Is Required .
- According To CBE Regulations, A Reserve And Retained earnings Accounts Has Been Formed For Difference Revaluation For Financial Investment (Available For Sale) For Prior Years

23- Contingent Liabilities & Commitments

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Letters of Guarantee	10,852,904,384	8,710,811,993
Letters of Credit (Import & Export)	1,933,869,400	2,233,007,892
Customers Acceptances	504,220,921	616,046,795
Total	13,290,994,705	11,559,866,680

24- Net Interest Income

Interest Received from Loans and similar items.

Loans & Facilities

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Banks	5,549,512	3,925,710
Clients	2,003,772,928	1,712,418,676
Total	2,009,322,440	1,716,344,386
Treasury Bills & Bonds	623,471,960	323,476,235
Deposits & Current Account	1,032,068,228	739,391,447
Financial Investment In Debt Instruments Held to Maturity & Available for Sale	49,785,679	77,368,908
Other	58,227,573	136,792,638
Total	3,772,875,880	2,993,373,614
Interest Paid on deposits and similar items		
Deposits & Current Account:-		
Banks	97,515,593	69,203,483
Clients	1,786,456,286	1,506,576,968
Total	1,883,971,879	1,575,780,451
Other Loans	6,245,478	3,579,534
Other	73,443,883	217,342,046
Total	1,963,661,240	1,796,702,031
Net	1,809,214,640	1,196,671,583

25- Trading Net Profit

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Foreign exchange operations:-		
Profit (Losses)From Foreign exchange	277,942,194	153,821,842
Profits (Losses) from Revaluin Trading Assets & Liabilities in Foreign Currencies	(1,319,226)	(5,101,086)
Profit (Losses)From Forward Foreign exchange Deals Revaluation	(1,555,899)	(689,232)
Profit (Losses)From Interest rate Swap Revaluation	23,259,000	23,386,836
Profit (Losses)From Currency Swap Deals Revaluation	26,932,691	41,353,081
Debt Instruments For Trading	53,231,649	46,663,091
Equity Instruments For Trading	(40,911,023)	16,757,323
Total	337,579,386	276,191,855

26- Comparative Figures

As a Result of Changing The Accounting Standards Concerning The Financial Investments, The Bank Has restated the Comparative Figures (as mentioned in note 2A) For Some Items In Balance Sheet and Income Statement as Hereunder:

	Balance Before Restatement EGP	Balance After Restatement EGP
Financial Investment Available For Sale	2,279,926,299	2,347,587,666
Financial Derivatives		
Debit Balances	-	75,307,833
Credit Balances	-	63,166,763
Special Reserves	162,709,903	213,609,315
Fair Value Reserve (Available For Sale Financial Investment)	4,870,506	60,903,531
Retained Earnings	-	11,628,342
Net Trading Income	212,982,610	276,191,855
Profits (losses) Financial Investments	276,290,900	226,135,001
Income Tax	(167,662,101)	(180,303,950)

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

27- Deferred Tax Assets and Liabilities

	Assets (liabilities) Dec. 31, 2008 EGP	Assets (liabilities) Dec. 31, 2007 EGP
Recognized Deferred Tax Assets (Liabilities)		
Deferred Tax Assets And Liabilities Are Attributable To The Following:		
Deferred Tax		
- Fixed Assets (Depreciation)	(26,037,670)	(22,155,045)
- Other Provisions (Excluded Loan Loss & Contingent Liabilities And Income Tax Provisions)	1,998,913	48,952,228
- Other Items(Other Investments Revaluation Difference)	28,533,744	20,190,375
- Reserve For Employee Stock Ownership Plan (ESOP)	17,345,581	5,831,917
- Total Deferred Tax Assets(Liabilities)	21,840,568	52,819,475

28- Reconciliation of effective tax rate

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Profit Before Tax	1,855,889,170	1,400,941,463
- Tax Rate	20%	20%
Income Tax based on accounting profit	371,177,834	280,188,293
Add / (Deduct)		
- Non-Deductible Expenses	4,675,448	424,416
- Tax Exemptions	(130,962,123)	(139,463,112)
- Effect Of Provisions	(4,102,447)	26,967,598
Income Tax	240,788,712	168,117,194
Effective Tax Rate	12.97%	12.00%

29- Earning Per Share

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Net Profit For The year	1,615,100,458	1,232,824,269
- Board Member's Bonus	(24,226,507)	(18,492,364)
- Staff Profit Sharing	(161,510,046)	(123,282,427)
- Shareholders' Share In Profits	1,429,363,905	1,091,049,478
- Number Of Shares	292,500,000	292,500,000
- Earning Per Share	4.89	3.73
* By Issuance Of ESOP Shares Earning Per Share Will Be:		
- Number Of Shares Including ESOP Shares	295,478,665	294,409,350
- Diluted Earning Per Share	4.84	3.71

30- Share-Based Payments:

According To The Extraordinary General Assembly Meeting On June 26, 2006 , The Bank launched 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 year (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 year Are As Follows:

	Number of Shares
Outstanding At The Beginning Of The year	1,909,350
Granted During The year	1,276,665
Forfeited During The year	(207,350)
Exercised During The year	-
Expired During The year	-
Outstanding At The End Of The year	2,978,665

- The Estimated Fair Value Of The Equity Instrument Granted To The First Tranch Is EGP 45.82 .

- The Estimated Fair Value Of The Equity Instrument Granted To The Second Tranch Is EGP 81.18 .

31- Assets & Liabilities Maturities

	Maturity Within one year	Maturity Over One Year
Assets		
- Cash And Due From Central Bank	6,493,358,437	-
- Due From Banks	4,391,051,249	-
- Treasury Bills And Other Governmental Notes	13,061,272,571	-
- Trading Investments	497,554,487	-
- Available For Sale Investments	2,762,232,983	-
- Customers' Loans & Overdrafts	14,721,451,328	12,791,985,417
- Banks' Loans & Overdrafts	79,687	344,419,123
- Held To Maturity Investments	20,051,249	661,212,025
- Investments In Subsidiary Companies	-	1,138,332,672
- Debit Balances And Other Assets	942,621,482	-
	42,889,673,473	14,935,949,237
Liabilities		
- Due to Banks	213,470,012	-
- Customer Deposits	41,524,201,001	7,413,908,662
- Long Term Loans	62,962,344	46,311,589
- Credit Balances and Other Liabilities	1,194,593,545	-
	42,995,226,902	7,460,220,251

32- Interest Rate

- The Average Interest Rates Applied for Assets and Liabilities During The Year Are 7.21 % & 3.65 % 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 .

- Corporate Income Tax For The Years 2005-2006 Will Be Examined From The Tax Authority

- 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

	Local Currency	Foreign Currency
Assets		
1- Due From Banks	481,576,209	3,909,475,039
2- Loans & Overdrafts		%
Agriculture Sector	62,198,759	0.2
Industrial Sector	10,499,496,255	37.5
Trading Sector	1,375,973,774	4.9
Services Sector	11,392,863,009	40.7
Household Sector	2,277,076,866	8.1
Other Sectors	2,400,336,389	8.6
Total Loans & Overdrafts (Including unearned interest)	28,007,945,052	100
Unearned Discounted Bills	(119,310,349)	
Provision for Doubtful Debts	(1,408,297,328)	5.0
Unearned Interest & Commission	(150,009,498)	
Net Loans & Overdrafts	26,330,327,877	
	Local Currency	Foreign Currency
Liabilities		
1- Due to Banks	20,593,961	192,876,051
2- Customers' Deposits		%
Agriculture Sector	95,133,156	0.2
Industrial Sector	5,762,542,659	11.8
Trading Sector	1,955,118,330	4.0
Services Sector	11,269,398,263	23
Household Sector	24,711,197,433	50.5
Other Sector	5,144,719,822	10.5
Total Customers' Deposits	48,938,109,663	100
	Local Currency	Foreign Currency
Contingent Accounts		
- Letters Of Guarantee	3,933,512,215	6,919,392,169
- Letter Of Credit (Import & Export)	12,639,451	1,921,229,949
- Customers Acceptances	64,388,766	439,832,155
	4,010,540,432	9,280,454,273

35- Main Currencies Positions

	Dec. 31, 2008 in thousand EGP	Dec. 31, 2007 in thousand EGP
- Egyptian Pound	(6,756)	(13,959)
- US Dollar	4,714	(56,955)
- Sterling Pound	(3,303)	(389)
- Japanese Yen	(333)	(377)
- Swiss Franc	1,024	821
- Euro	15,811	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 30,647,805 With Redeemed Value LE 4,194,458,592.
- The Market Value Per Certificate Reached EGP 136.86 On 31/12/2008.
- The Bank Portion Got 2,321,802 Certificates With Redeemed Value EGP 317,761,822 .

(2) Istethmar Fund

- CIB 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 3,481,368 With Redeemed Value LE 227,368,144.
- The Market Value Per Certificate Reached EGP 65.31 On 31/12/2008.
- The Bank Portion Got 174,072 Certificates With Redeemed Value EGP 11,368,642.

(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 1,227,413 With Redeemed Value LE 68,501,920.
- The Market Value Per Certificate Reached EGP 55.81 On 31/12/2008.
- The Bank Portion Got 30,686 Certificates With Redeemed Value EGP 1,712,586.

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.

	EGP	
- Loans & Overdrafts	319,307,234	
- Investment in Subsidiary Companies	1,237,667,822	
- Customer Deposits	287,923,092	
- Contingent Accounts	47,864,230	

	Income (EGP)	Expenses (EGP)
- International Co. for Security & Services	1,001,416	36,639,026
- Corplease Co.	48,104,095	575,188
- Commercial International Life Insurance Co.	7,265,684	1,812,838
- Commercial International Brokerage Co.	18,594,523	979,343
- Dynamic Company	31,316	-
- Egypt Factors	82,463	140,860
- CI Assets Management	3,008,089	74,795
- Commercial International Capital Holding Co.	111,342	-

Financial Statement

B. Consolidated CIB & CI-CH



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AUDITORS' REPORT

To the Shareholders of Commercial International Bank (Egypt)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Commercial International Bank (Egypt) S.A.E, which comprise the consolidated balance sheet as at 31 December 2008 , and the consolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the consolidated Financial Statements

These consolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 27, 2002 and it's amendments, including amendments that relates to financial investments issued on December 16, 2008 and in light of the prevailing Egyptian laws , management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Hazem Hassan

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Commercial International Bank (Egypt) as of December 31, 2008 and of its financial performance and its cash flows for the year then ended in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements, issued on June 07, 2002 and its amendments, including amendments that relates to financial investment issued on December 16, 2008 and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

According to the information and explanations given to us – during the financial year ended December 31, 2008 no contravention of the central bank, banking and monetary institution law No. 88 of 2003.

The Bank maintains proper books of account, which include all that is required by law and by the statutes of the bank, the consolidated financial statements are in agreement thereto.

The consolidated financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Auditor

Ehab Akl

Capital Market Authority registration number "9"
KPMG Hazem Hassan
Public Accountants & Consultants



Cairo 10 February 2009

Financial Statement

B. Consolidated CIB & CI-CH

Commercial International Bank (Egypt) S.A.E. **Consolidated Balance Sheet** as of Dec. 31, 2008

	Note No.	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
Assets			
- Cash & Due From Central Bank	(5)	6,493,360,095	4,953,205,430
- Due From Banks	(6)	4,551,845,285	13,883,232,504
- Treasury Bills and other Governmental Notes	(7)	12,456,955,210	2,951,621,063
- Trading Financial Assets	(8)	641,627,430	683,832,861
- Loans & Overdrafts	(11&12)	26,330,327,878	20,478,590,841
- Financial Derivatives	(13)	704,890,792	75,307,833
- Financial Investments:			
Available for Sale	(9)	2,774,965,250	2,353,862,934
Held to Maturity Financial Investments	(9)	681,263,274	443,894,166
- Financial Investments in Associated Co.	(14)	92,923,215	90,714,548
- Brokers - Debit Balances		151,604,732	122,917,170
- Reconciliation accounts- Debit Balances		-	21,108,871
- Debit Balances & Other Assets	(16)	972,855,164	1,035,176,214
- Goodwill	(39)	200,523,251	140,613,801
- Intangible Assets	(39)	640,938,786	-
- Deferred Tax	(28)	19,372,767	51,900,192
- Fixed Assets (Net)	(17)	748,340,702	620,238,882
- Total Assets		57,461,793,831	47,906,217,310
Liabilities & Shareholder's Equity			
Liabilities			
- Due to Banks	(18)	228,994,222	2,378,613,378
- Customers Deposits	(19)	48,790,029,809	39,476,052,841
- Brokers- Credit Balances		200,921,933	162,358,363
- Reconciliation accounts - Credit Balances		27,897,554	1,292,008
- Financial Derivatives	(13)	636,914,744	63,166,763
- Credit Balances & Other Liabilities	(20)	1,229,280,358	759,678,951
- Long Term Loans	(21)	109,273,933	161,356,219
- Other Provisions	(22)	372,645,236	397,924,539
- Total Liabilities		51,595,957,789	43,400,443,062
Shareholders' Equity			
- Paid in Capital		2,925,000,000	1,950,000,000
- Reserves		1,335,817,804	1,194,226,652
- Retained Earnings		99,069,113	41,349,498
- Reserve for employee stock ownership plan (ESOP)	(31)	86,727,903	29,159,584
- Net Profit of the year		1,370,592,742	1,285,775,354
- Total Shareholders' Equity & Net Profit		5,817,207,562	4,500,511,088
- Minority Interest		48,628,480	5,263,160
- Total Shareholders' Equity and Minority Interest	(23)	5,865,836,042	4,505,774,248
- Total Liabilities & Shareholders' Equity		57,461,793,831	47,906,217,310
- Contingent Liabilities & Commitments	(24)	13,290,944,705	11,559,841,635

Commercial International Bank (Egypt) S.A.E. **Consolidated Income Statement** For The Year Ended Dec. 31, 2008

	Note No.	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
- Interest and similar income	(25)	3,765,207,513	2,998,066,645
- Interest and similar Expenses	(25)	(1,966,547,421)	(1,797,842,883)
Net Interest Income		1,798,660,092	1,200,223,762
- Fees & Commissions Income		821,333,569	665,185,633
- Fees & Commissions Expense		(73,587,145)	(25,286,540)
Net Income From Fees & Commissions		747,746,424	639,899,093
- Dividends Income		102,559,579	71,536,293
- Net Trading Income	(26)	345,367,741	276,721,777
- Provisions		(410,519,381)	(250,988,033)
- Profit (Losses) from Financial Investments	(9)	109,312,249	226,736,631
- Goodwill Impairment		(183,698,000)	-
- Administrative Expenses		(1,038,662,088)	(697,705,206)
- Other Operating Income	(10)	179,386,060	5,267,755
- Intangible Assets Amortization		(33,733,620)	-
Net Profit Before Tax		1,616,419,056	1,471,692,072
- Income Tax	(29)	(218,777,585)	(194,218,288)
- Deferred Tax	(29& 28)	(32,226,272)	11,459,368
Net Profit After Tax		1,365,415,199	1,288,933,152
- Minority Interest		(5,177,543)	2,746,306
- Bank Shareholders		1,370,592,742	1,286,186,846
- Earning Per Share			
- Basic	(30)	4.15	3.89
- Diluted	(30)	4.11	3.87

Commercial International Bank (Egypt) S.A.E. **Consolidated Cash flow** For the year Ended Dec. 31, 2008

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
Cash Flow From Operating Activities		
- Net Income before tax	1,616,419,056	1,471,692,072
Adjustments To Reconcile Net Income To Net Cash Provided by operating activities		
- Depreciation	157,078,362	122,518,015
- Provisions (Formed during the year)	410,519,381	250,988,033
- Trading financial investments evaluation differences	88,799,961	(8,210,793)
- Impairment of assets	33,733,620	-
- Utilization of Provisions (Except Provision for Doubtful Debts)	(11,957,034)	-
- Provisions No Longer required	(165,739,690)	(7,036,600)
- FCY Revaluation Differences of Provisions Balances (Except Doubtful Debts)	518,328	(1,904,981)
- Gains From Selling Fixed Assets	(5,052,568)	(1,269,870)
- Profit From Selling Financial Investments	(227,427,627)	(174,663,447)
- Profits From Selling an investment in Subsidiary	(50,258,991)	(148,393,558)
- Goodwill Impairment	183,698,000	-
- FCY Revaluation Diff.of Long Term Loans	(922,993)	1,733,674
- Share based payments	57,568,319	29,159,584
Operating Profits Before Changes in- Operating Assets & Liabilities	2,086,976,124	1,534,612,129
Net Decrease (Increase) in Assets		
- Due From Banks	9,556,516,685	(7,961,652,630)
- Treasury Bills and other Governmental Notes	(7,358,853,097)	2,268,535,711
- Trading financial Investments	(46,594,530)	225,460,301
- Financial Derivatives (Net)	(55,834,978)	(12,141,070)
- Loans & Overdrafts	(6,220,116,065)	(3,054,288,046)
- Debit Balances & Other Assets	(9,204,729)	(213,637,494)
Net Increase (Decrease) In Liabilities		
- Due to Banks	(2,149,619,156)	1,166,089,258
- Customers Deposits	9,313,976,968	7,875,825,643
- Credit Balances & Other Liabilities	618,321,121	(85,419,369)
- Income tax paid	(155,475,345)	(80,317,367)
Net Cash Provided from Operating Activities	5,580,092,998	1,663,067,065

Commercial International Bank (Egypt) S.A.E. **Consolidated Cash flow** For the year Ended Dec. 31, 2008

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP (Restated)
Cash Flow From Investing Activities		
- Sale (Purchase) Of Subsidiaries & Associated Companies	(2,208,667)	15,148,088
- Purchase of Fixed Assets , Premises and Fitting out of Branches	(198,887,584)	(284,632,707)
- Redemption Of Held to Maturity Financial Investments	(237,369,108)	378,390,172
- Available For Sale Financial Investment	(211,077,065)	1,119,236,499
- Financial Investments in Subsidiary (Goodwill)	(621,580,409)	(117,495,626)
Net Cash (Used in) Provided From Investing Activities	(1,271,122,833)	1,110,646,426
Cash Flow From Financing Activities		
- Increase (Decrease) in Long - Term Loans	(51,159,293)	60,455,684
- Dividends Paid	(346,045,692)	(310,359,381)
Net Cash (Used in) Financing Activities	(397,204,985)	(249,903,697)
Net cash & cash equivalent changes	3,911,765,180	2,523,809,795
- Beginning Balance of cash & cash equivalent	6,879,374,081	4,355,564,286
Cash & Cash Equivalent Balance At the End of the year	10,791,139,261	6,879,374,081
Cash & Cash Equivalent are Represented as Follows :		
- Cash and Due from Central Bank	6,493,360,095	4,953,205,430
- Due from Banks	4,551,845,285	13,883,232,505
- Treasury Bills and other Governmental Notes	12,456,955,210	2,951,621,063
- Due from Banks (Time Deposits)	(3,708,650,777)	(13,265,167,463)
- Treasury Bills with maturity more than three months	(9,002,370,552)	(1,643,517,454)
Total Cash & Cash Equivalent	10,791,139,261	6,879,374,081

Commercial International Bank (Egypt) S.A.E. Consolidated Statement of changes in Shareholders' Equity for the Year Ended Dec. 31, 2008

2007	Capital		Legal Reserve		General Reserve		Intangible Assets Reserve		Retained Earnings		Special Reserve		A.F.S Investments *		Revaluation Diff.		Profits of the Year		Reserve for employee stock ownership plan (ESOP)		Total Shareholders Equity & Retained Earnings		Minority Interest		Total			
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
Balance at beginning of The Year	1,950,000,000	371,230,872	548,482,934	-	29,721,156	162,709,903	7,458,634	-	-	-	-	-	-	-	-	-	-	-	-	-	3,069,603,499	2,516,854	3,072,120,353					
Effect of Adjusting Accounting																												
Standards (After Tax)	-	-	-	-	61,784,246	332,016	80,445,723	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142,561,985	-	142,561,985				
Beginning Balance After Adjustments	1,950,000,000	371,230,872	548,482,934	-	91,505,402	163,041,919	87,904,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,212,165,484	2,516,854	3,214,682,338				
Effect of Adjusting Accounting																												
Standards (After Tax)	-	-	-	-	(50,155,904)	50,567,396	(411,492)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjusted Net Profits of the year	-	-	-	-	-	-	1,286,186,846	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,286,186,846	2,746,306	1,288,933,152				
Usage part of reserve	-	-	-	-	-	-	(27,000,826)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,000,826)	-	(27,000,826)				
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	371,230,872	548,482,934	-	41,349,498	213,609,315	60,903,531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500,511,088	5,263,160	4,505,774,248				
2008																												
Balance at Beginning of The year	1,950,000,000	371,230,872	548,482,934	-	41,349,498	213,609,315	60,903,531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500,511,088	5,263,160	4,505,774,248				
Transfer to Reserves	-	61,620,639	834,064,668	-	-	-	(895,685,307)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profits of The year	-	-	-	-	-	-	1,370,592,742	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,370,592,742	(5,177,543)	1,365,415,199				
Capital Increase *	975,000,000	-	(975,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributed profits	-	-	-	-	(5,997,898)	-	(336,709,547)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,338,247)	(3,338,247)	-	(346,045,692)			
Reverse Part of Reserve	-	-	-	-	-	-	(81,888,576)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(81,888,576)	-	(81,888,576)				
Undivided Profit	-	-	-	-	53,380,500	-	(53,380,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for employee stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ownership plan (ESOP)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,568,319	57,568,319	-	57,568,319			
Adjustment On Income Tax	-	-	-	-	(461,324)	-	(461,324)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(461,324)	-	(461,324)				
Minority Share in Retained Earnings	-	-	-	-	(4,927,294)	-	(4,927,294)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,927,294)	4,927,294	-	-			
A majority Stake in Intangible Assets	-	-	-	302,794,421	15,725,631	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318,520,052	46,953,816	365,473,868				
Balance At The End Of The year	2,925,000,000	432,851,511	407,547,602	302,794,421	99,069,113	213,609,315	(20,985,045)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,817,207,562	48,628,480	5,865,836,042				

*Refer to note number (23)

**Refer to note number (31)

Commercial International Bank (Egypt) S.A.E.
Notes to the Consolidated Financial Statements
For the Financial year
from January 1, 2008 to December 31, 2008

(1) Organization and Activities

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

Commercial International Bank (Egypt) S.A.E. was formed as a commercial Bank 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 & five branches, in addition to forty eight 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 10th, 2005 and the company has been licensed by the capital market authority to carry out its activities under license no. 353 on May 24th, 2006.

As of December 31, 2008 the bank directly owns 54,988,000 shares representing 99.98% of CI Capital Holding Company's capital and on December 31, 2008 CI Capital Holding Co. directly owns the following shares in its subsidiaries:

Company Name	No. of Shares	Ownership%	Indirectly Share%
CIBC Co.	539,880	89.98	89.96
CI Assets Management	445,499	89.09	89.07
CI Investment Banking Co.	448,500	89.70	89.68
CI For Research Co.	448,500	89.70	89.68
Dynamic Brokerage Co.	3,392,000	99.91	99.89
United Brokerage Co. - Dubai	5,000,000	49.00	48.99

(2) Significant Accounting Policies

A) Basis of Preparing Financial Statements

- The consolidated Financial Statements are prepared in accordance with the Central Bank of Egypt regulations issued on 27th of June 2002 and its amendments issued on December 16, 2008 and in accordance with the related Egyptian laws and regulations regarding to the preparation of these financial statements.
- The available for sale investments measurement have been changed as at 1st of January 2008 as explained in note 2 (F) and (G), from the lower of cost (taking into consideration the FX revaluations) or fair value and the differences were reported in "Income Statement" to fair value with changes reporting direct to equity. The reclassification impact appears on the "Statement of Changes in Shareholders Equity" and the "Available-for-Sale Investments". Adjustments related to the previous years have been done retrospectively.
- As a result of applying the new regulations, all outstanding derivatives on the 1st of January 2008 have been recognized in the balance sheet and measured at fair value.

B) Basis of consolidation

Given the increase in the bank's ownership percentage from 50.09% (joint control) to 99.98% (full control) in CI Capital Holding, has been adjusted from proportional consolidated basis which has been used in the previous financial periods up till June 30, 2008.

Consolidated Financial Statements are Consisting of the Financial Statements of Commercial International Bank and Consolidated Financial Statements of CI Capital Holding and its subsidiaries. The control is achieved through the bank's ability to control the financial and operational policies of the invests in order to obtain benefits from its activities . The basis of the consolidation is follows: -

- Eliminating all balances and transactions between the bank and group companies.
- The cost of acquisition of subsidiary companies is based on the company's share in the fair value of assets acquired and obligations outstanding the acquisition date.
- Minority shareholders represent the rights of others in subsidiary companies.
- Proportional Consolidation is used in consolidating method companies under joint control

C) Transactions in Foreign Currencies

- The Accounting records of the bank are maintained in Egyptian pounds. Transactions in foreign currencies conducted during the year are recorded at the foreign exchange rates prevailing at the time such transactions take place.
- Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the balance sheet date. Currency translation differences on all monetary financial assets and liabilities are reported in the income statement in the following items:-
 - Net trading income or net income arising from financial instruments originally recorded at fair value through profit and loss and financial assets and liabilities held for trading or originally recorded at fair value through profit and loss.
 - Other operating income (loss) for the other items.
- The changes in fair value arising from monetary financial instruments classified as foreign investments available for sale (Debt Instruments) should be segregated to revaluation differences arising from changes in the instrument amortized cost to be recorded in "income from loans" and differences arises from foreign exchange rate changes to be recorded in "other operating income" and differences arises from change in fair value to be recorded in "fair value reserve for available for sale investments".
- Translation differences on non-monetary items (such as equities) held at fair value through income are also reported through income statement whereas for those classified as available-for-sale are recorded directly in equity within 'Net unrealized gains and losses on available-for-sale assets' item.

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 is 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.

- 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 is calculated based on the return on the net assets. Such fees are excluded from revenues unless they meet the booking terms.

F) Treasury Bills

- Treasury Bills are recorded at face value. The issuance discount is recorded in Other Liabilities and deducted from the Gross Treasury Bills balance on the Balance Sheet, which are measured at amortized cost using the effective interest rate.

G) Financial Assets Designated at fair value through profit and loss:

- Consists of financial assets held for trading & financial assets that the bank upon initial recognition designates to be measured at fair value with changes reported in profit and loss.
- Financial instruments held for trading are those that the Bank holds primarily for the purpose of short-term profit-taking or if it represents a part of specified financial instruments portfolio and there is an evidence of short-term profit-taking. Also derivatives are classified as held for trading unless the derivatives are qualified under hedging accounting.
- Financial assets designated at fair value through profit and loss are recognized when it relates to an investment portfolio that are managed and evaluated on a fair value basis according to the investment strategies and the risk management and have been reported to the senior management according to that basis.
- Any financial derivative or instrument that designates to be measured at fair value with changes reported in income is not reclassified either during the holding period or if it is initially recognized at fair value with changes reported to profit and loss.
- At all circumstances the bank does not reclassify any financial instrument to financial instrument measured at fair value with changes reported to profit and loss or to financial assets held for trading.

H) Held to Maturity Investments

- Held to Maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the bank management has the ability and the positive intent to hold it for the foreseeable future or maturity. Any sales of a significant amount not close to their maturity - except the emergency cases - would result in the reclassification of all held to maturity investments as available-for-sale.

I) Available-for-sale Investments

- Non-derivative assets that have either been designated as available for sale or do not fit into one of the categories described above. Equity investments held without significant influence, which are not held for trading or elected to fair value through income, are classified as available-for-sale.

J) Financial Assets

- For the assets classified at fair value through P/L, held to maturity investments and available for sale investments buying and selling operations are recognized as usual on the trade date which is the date that the bank is committed to buy or sell the financial asset.
- A financial asset that does not originally classify at fair value through P/L is initially recognized at fair value plus transaction costs. A financial asset that is originally classified at fair value through P/L is initially recognized at fair value only and the transaction costs are transferred to P/L in "Net income from trading activities".
- Derecognized when the rights to receive cash flows have expired or the Bank has transferred substantially all the risks and rewards of ownership.
- Available for sale investments and financial assets designated at fair value through P/L are subsequently held at fair value whereas held to maturity investments are measured at amortized cost using the effective interest rate method.
- Gains and losses arising from changes in the fair value of available-for-sale assets should be recognized directly in equity, through the statement of changes in equity, until the financial asset is sold, collected, or otherwise disposed of, at which time the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.
- Monetary assets' interest income is recognized based on the amortized cost method in the income statement. The foreign currency revaluations differences related to available for sale investments are recognized in the income statement. Available for sale equity instruments related dividends are recognized in the income statement when they declared.
- Fair values are obtained from quoted market prices in liquid markets. Where no active market exists, or quoted prices are unobtainable, the fair value is estimated using a variety of valuation techniques - including discounted cash flow and other pricing models. Inputs to pricing models are generally market-based when available and taken from reliable external data sources. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity may measure the equity instrument at cost minus any impairment losses.
- Debt instruments can be reclassified from the available for sale investments to held to maturity investments at fair value when the bank has the intention and ability to hold to maturity. Any related Profits and losses that was previously recognized in equity are treated as follows:
 - Financial assets with fixed or determinable payments and fixed maturity valued at amortized cost, using the effective interest method in case of impairment the profits & losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.
 - Profits & losses related to financial assets without fixed or determinable maturity are held in equity till selling or dispose the asset then removed from equity and recognized in the income statement. In case of impairment the profits & losses that has been previously recognized directly in equity is removed from equity and recognized in the income statement.

K) Investments in Associated Companies and Jointly controlled 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 recorded at cost at acquisition and proportionately consolidated in the consolidated financial statement.

L) Netting:

- Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize an asset and settle the liability simultaneously.
- Treasury Bills Repos & reverses Repos agreements are netted on the balance sheet in "Treasury Bills and other governmental notes".

M) Derivatives & Embedded Derivatives:

- Derivatives are measured initially at fair value and subsequently re-measured at fair value. Fair values are obtained from quoted prices prevailing in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are included in assets when their fair value is positive and liabilities when their fair value is negative.

N) Repos & (Reverse Repos) Transactions:

- Repos (Reverse Repos) agreements are eliminated (recorded) on the balance sheet under "Treasury Bills and Other governmental Notes" whereas its cost (revenue) is recorded in "interest received from treasury Bills & Bonds" item in Income Statement using the effective interest rate method.

O) Impairment of financial assets:

O/1) Financial Assets held to maturity:

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets is impaired. A financial asset or portfolio of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the balance sheet date ('a loss event') and that loss event or events has had an impact on the estimated future cash flows of the financial asset or the portfolio that can be reliably estimated. Objective evidence that a financial asset or a portfolio is impaired includes observable data that comes to the attention of the Bank about the following loss events:

- Significant financial difficulty of the issuer or obligor;
- It becomes probable that the borrower will enter bankruptcy or other financial Re-organization.

O/2) Available-for-sale Investments:

- The Bank assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets under available for sale investments or held to maturity investment is impaired. In the case of equity instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether impairment exists.

P) Intangible Assets:

P/1) Goodwill:

- Goodwill is capitalized and represents the excess of the cost of an acquisition over the fair value of the Bank's share of the acquired entity's net identifiable assets at the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows to present value. Goodwill is included in the cost of investments in associated and subsidiaries investments in the Bank standalone financial statements. Goodwill is tested for impairment whereas the income statements are charged by the impairment.
Goodwill is allocated over the cash generating units for the purpose of testing the impairment. The cash generating units represent the main segments of the bank.

P/2) Other intangible assets:

- Other intangible assets that are acquired by the Bank are stated at cost less accumulated amortization and any adjustment for impairment losses. Other intangible assets are comprised of separately identifiable items arising from acquisition of subsidiaries, such as customer relationships, and certain purchased trademarks and similar items. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized but they are tested for impairment

Q) Non financial assets impairment:

- Assets with indefinite life (except for Goodwill) are assessed at each balance sheet date or more frequently, to determine whether there is any indication of impairment. If any such indication exists, the assets are subject to an impairment review.
- An impairment loss is recognized whenever the carrying amount of an asset that generates largely independent cash flows or the cash-generating unit to which it belongs exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

R) 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.

S) 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 loans and contingent accounts in addition to general percentages from one to five according to the basis of appraising the customer's credit worthiness issued by the central bank of Egypt on 6th of June 2005.
- Provision for Doubtful Debts decreases by loans written off and increases 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.

T) Contingent Liability Accounts:

- Contingent Liability Accounts include transactions in which the Bank is involved as a third party. Such transactions do not represent actual bank's assets or liabilities at the Financial Statement date.

U) 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 from acquisition.

V) Depreciation and Amortization:

- Depreciation of Fixed Assets (except for lands) 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.

W) Share-based payments to employees:

- The Bank engages in equity settled share-based payment transactions in respect of services received from certain of its employees.
- The fair value of the services received is measured by reference to the fair value of the shares or equity instruments granted on the date of the grant. The cost of the employee services received in respect of the shares or equity instruments granted is recognized in the income statement over the period that the services are received, which is the vesting period. The fair value of the equity instruments granted is determined using option pricing models, which take into account the exercise price of the instrument, the current share price, the risk free interest rate, the expected volatility of the bank share price over the life of the equity instrument and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant.
- Are not taken into account in estimating fair value. Non-market vesting conditions are taken into account by adjusting the number of shares or equity instruments included in the measurement of the cost of employee services so that ultimately, the amount recognized in the income statement reflects the number of vested shares or equity instruments. Where vesting conditions are related to market conditions, the charges for the services received are recognized regardless of whether or not the market related vesting condition is met, provided that the non-market vesting conditions are met.

X) Taxes:

- Income Tax on the profit or loss for the financial year comprises current and deferred tax is recognized in the Income statement.
- Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date.
- Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.
- A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(3) Financial Instruments and their risk management:

(3/1) Financial Instruments:

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

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.

B) 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 fluctuates 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.

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:

- 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 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. (36) Of the financial statements discloses significant foreign currency positions at the balance sheet date.

(4) Accounting estimates and assumptions:

- The preparation of financial statements requires management to make subjective judgments and estimates, at times, regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures. Those judgments and estimates are based on historical experience and other factors containing the expectations of the future events that are reasonable estimated in accordance of the available conditions & information.
- The most significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

A) Impairment of the available for sale equity instruments:

- In the case of available for sale equity instruments, a significant or Continuous decline in the fair value of the security below its cost is considered as impairment. Where such evidence exists, significant or Continuous decline needs a personal judgment. To make this judgment the bank assesses-besides other factors-the common share price volatility. In addition, impairment exists when there is objective evidence that a certain company has a financial difficulty in its cash flow from operating and financing activities, industry tool or sector or technological advances.
- If each significant or Continuous decline in the fair value of the security below its cost is considered, the bank will charge an additional loss of EGP 20,312,399 represents transferring all the fair value reserve to P/L.

B) Derivatives' Fair Value:

- For the unquoted financial instruments, the fair value is determined using a variety of valuation techniques which are tested and reviewed periodically by high qualified staffs that are independent of those who created the models. The models used are validated prior put into use. Inputs to pricing models are generally market-based when available and taken from reliable external data sources. While areas like the bank credit risk, counterparties, volatility and correlations require management to make judgments & estimations. Changes in the assumptions related to these factors may affect the financial instruments fair values which have been disclosed.

C) Held to maturity Investments:

- Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity. This category requires personal judgment therefore the bank tests whether there is a genuine intent and ability to hold such investments to maturity. If the bank fails to hold such investments till maturity (except for certain tightly defined circumstances such as if an entity sells an insignificant amount of held-to-maturity investments close to maturity date), investments should be reclassified as available-for-sale, which will be measured at fair value instead of amortized cost.
- In case of having the held to maturity portfolio tainted, the book value of the portfolio will decrease by EGP 54 035 585 to reflect the fair value through debiting the fair value reserve within equity.

5- Cash And Due From Central Bank

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Cash & Cash Items	1,085,954,242	1,081,319,202
- Reserve Balance with CBE		
(A) Current Accounts	3,387,059,358	1,996,073,908
(B) Time Deposits	2,020,346,495	1,875,812,320
Total Cash & Due From Central Bank	6,493,360,095	4,953,205,430

6- Due from Banks

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
(A) Central Bank		
- Time Deposits	400,757,450	7,391,521,850
Total Due from central bank	400,757,450	7,391,521,850
(B) Local Banks		
- Current Accounts	214,459,971	109,010,305
- Time Deposits	321,186,900	155,948,928
Total Due from Local Banks	535,646,871	264,959,233
(C) Foreign Banks		
- Current Accounts	628,734,537	509,054,737
- Time Deposits	2,986,706,427	5,717,696,684
Total Due From Foreign Banks	3,615,440,964	6,226,751,421
Total Due From Banks	4,551,845,285	13,883,232,504

7- Treasury Bills and other Governmental Notes

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- 91 Days Maturity	3,515,475,000	1,313,750,000
- 182 Days Maturity	1,960,250,000	751,830,445
- 364 Days Maturity	5,627,175,000	970,750,000
	11,102,900,000	3,036,330,445
- Unearned Income	(612,767,361)	(84,709,382)
Total	10,490,132,639	2,951,621,063
Reverse Repos	1,966,822,571	-
Grand Total	12,456,955,210	2,951,621,063

8- Financial Assets For Trading

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Debt Instruments		
- Government Bonds	101,369,914	51,603,627
- Other Debt Instruments	188,849,738	64,370,759
Total Debt Instruments	290,219,652	115,974,386
Equity Instruments		
- Foreign Company Shares	59,440,478	102,842,451
- Mutual Fund	291,967,300	465,016,024
Total Equity Instruments	351,407,778	567,858,475
Total Financial Assets For Trading	641,627,430	683,832,861

9- Financial Investment

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Financial Investment Available for Sale		
- Debt Instruments Listed - Fair Value	1,921,272,094	1,462,208,120
- Equity Instruments Listed - Fair Value	244,823,746	291,333,688
- Unlisted Instruments	608,869,410	600,321,126
Total Financial Investment Available for Sale (1)	2,774,965,250	2,353,862,934
Financial Investment Held to Maturity		
Debt Instruments		
- Listed	306,374,803	311,494,817
- Unlisted	374,888,471	132,399,349
Total Financial Investment Held to Maturity (2)	681,263,274	443,894,166
Total Financial Investment (1+2)	3,456,228,524	2,797,757,100
Listed Balances	2,472,470,643	2,065,036,625
Unlisted Balances	983,757,881	732,720,475
Total	3,456,228,524	2,797,757,100
Fixed Interest Debt Instruments	1,832,967,710	1,339,637,012
Variable Interest Debt Instruments	769,567,658	566,465,274
Total	2,602,535,368	1,906,102,286

	Financial Investment Available for Sale	Financial Investment Held to Maturity	Total
Opening Balance 1/1/2007	3,178,163,512	822,284,338	4,000,447,850
Addition	1,821,267,363	-	1,821,267,363
Deduction (Selling - Recovery)	(2,673,473,661)	(364,198,645)	(3,037,672,306)
Differences in revaluation of the Cash Assets in Foreign Currencies	(24,742,206)	(14,191,527)	(38,933,733)
Profit from Fair value Differences	56,833,304	-	56,833,304
Deduct - Impairment Losses	(4,185,378)	-	(4,185,378)
Ending Balance 31/12/2007	2,353,862,934	443,894,166	2,797,757,100
Opening Balance 1/1/2008	2,353,862,934	443,894,166	2,797,757,100
Addition	11,159,837,393	512,915,742	11,672,753,135
Deduction (Selling - Recovery)	(10,611,700,507)	(273,556,529)	(10,885,257,036)
Differences in revaluation of the Cash Assets in Foreign Currencies	(7,219,107)	642,669	(6,576,438)
Profit from Fair value Differences	(81,995,801)	-	(81,995,801)
Deduct - Impairment provision	(37,819,662)	(2,632,774)	(40,452,436)
Ending Balance 31/12/2008	2,774,965,250	681,263,274	3,456,228,524

Profit (Losses) from Financial Investment

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Profit (Losses) from selling Available for Sale Financial Instruments	119,846,433	123,416,664
Losses from Impairment of Equity Instruments Available for Sale	(47,618,230)	(29,016,847)
(Losses) From Available for Sale Debt Instruments Reverse of Impairment	(7,219,106)	(16,056,744)
Profit (Losses) from Selling Investments in Subsidiaries and associates.	44,303,152	148,393,558
Total	109,312,249	226,736,631

An Amount Of EGP 207,246,166 Classified as of Held To Maturity Investment Instead Of Available For Sale Investment

10- Other Operating Income

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Profits (Losses) From Assets & Liabilities Revaluation Except Trading	8,676,929	13,181,723
Profits (Losses) From Selling Equipments And Fixed Assets	5,052,568	1,269,870
Recovery From Other Provisions	165,739,690	-
Others	(83,127)	(9,183,838)
	179,386,060	5,267,755

11- Loans and Overdrafts

	Dec. 31, 2008	Dec. 31, 2007
	EGP	EGP
- Discounted Bills	795,836,842	369,367,153
- Loans & Overdrafts to Customer	26,867,609,401	20,979,609,432
- Loans & Overdrafts to Banks	344,498,810	501,437,453
	28,007,945,053	21,850,414,038
- Unearned Bills Discount	(119,310,349)	(33,299,487)
- Provision For Doubtful Debts	(1,408,297,328)	(1,089,969,238)
- Interest in suspense	(150,009,498)	(248,554,472)
Net Loans & Overdrafts	26,330,327,878	20,478,590,841

12- Provision For Doubtful Debts

Dec. 31, 2008	Specific	General	Total
	EGP	EGP	EGP
- Balance at Beginning of The year	491,530,222	598,439,016	1,089,969,238
- Formed During The year	175,941,000	169,634,015	345,575,015
- Recoveries from Written Off Debts	63,759,860	-	63,759,860
- Foreign Currency Revaluation Diff.	5,054,571	-	5,054,571
	736,285,653	768,073,031	1,504,358,684
- Usage During The year	(96,061,356)	-	(96,061,356)
Balance at The End of The year	640,224,297	768,073,031	1,408,297,328

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
- Formed During The year	91,524,201	101,480,050	193,004,251
- Recoveries from Written Off Debts	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 Specific to General Provision	(10,008,945)	10,008,945	-
Balance at the end of the Year	491,530,222	598,439,016	1,089,969,238

13- Financial Derivatives

The bank uses the following financial derivatives for non hedging purposes.

- * Forward contracts represents commitments of buying foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represents contractual commitments to receive or pay net amount on the basis of changes in foreign exchange rates or interest rates, and/or buying or selling foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.
- * Credit risk is considered low, and future interest rate contracts represents future exchange rate contracts negotiated for case by case, these contracts requires financial settlements of any differences in contractual interest rates and prevailing market interest rates on future dates based on contractual amount (nominal value) pre agreed upon.
- * Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts)/ contractual amounts are not exchanged except for some foreign exchange contracts
- * Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and to control continuously through comparisons of fair value and contractual amount, and to control the outstanding credit risk, the bank evaluates other parties using the same methods as in borrowing activities.
- * Options contracts in foreign currencies and/or interest rates represents contractual agreements for the buyer (issuer) to seller (holders) as a right not an obligations whether to buy (buy option) or to sell (sell option) at a certain day or within certain period for a certain amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between the bank and one of its client (Off balance sheet). The bank exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.
- * The contractual value for some derivatives options considered a base to compare the realized financial instruments on the balance sheet, but it didn't provide indicator on the projected cash flows of the fair value for current instruments, those amounts doesn't reflect credit risk or interest rate risk.
- * Derivatives in the banks benefit represent (assets) conversely it represents (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time and also the range through which the financial derivatives can be in benefit of the bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives.

For Trading Derivatives

Foreign Derivatives	2008			2007		
	Amount	Assets	Liability	Amount	Assets	Liability
- Forward Foreign exchange contracts	2,572,060,181	31,916,357	31,680,875	3,603,088,630	9,729,116	8,983,093
- Currency swap	3,457,152,333	65,087,047	57,539,919	4,095,848,478	25,528,958	51,068,349
- Options	112,099,475	1,080,796	1,080,796	8,018,830	13,753	13,753
Total Derivatives (1)		98,084,200	90,301,590	-	35,271,827	60,065,195
Interest rate derivatives						
- Interest rate Swaps	1,730,052	63,646,403	3,452,965	1,728,760,514	40,036,006	3,101,568
Total Derivatives (2)		63,646,403	3,452,965		40,036,006	3,101,568
Commodity	1,235,414,832	543,160,189	543,160,189			
Total Derivatives (3)		543,160,189	543,160,189		-	-
Total Assets (liability) For Trading Derivatives (1+2+3)		704,890,792	636,914,744		75,307,833	63,166,763

14- Financial Investments in Associated Companies

	Dec. 31, 2008 EGP	%	Dec. 31, 2007 EGP	%
- Contact for Cars Trading	-		31,000,000	38.4
- Commercial International life insurance co.	44,520,250	45	32,000,000	40
- Corplease co.	32,000,000	40	18,400,000	40
- Cotecna Trade Support	48,750	39	48,750	39
- Haykala For Investment	602,500	47.5	601,252	47.5
- Egypt Factors	10,751,715	39	3,763,646	39
- International. Co. for Appraisal & Collection.	1,000,000	40	400,000	40
- International Co. for Security & Services (Falcon)	4,000,000	40	4,500,900	45
	92,923,215		90,714,548	
The Financial Investments in Associated companies are represented as follows :-				
- Financial Investments listed in Stock Exchange	-		-	
- Financial Investments Unlisted in Stock Exchange	92,923,215		90,714,548	
	92,923,215		90,714,548	

15- Capital Commitments :

A) Commercial International Bank

- Financial Investments

The Capital Commitments For The Financial Investments Reached On The Date Of balance Sheet EGP198,681,919 as follows :-

	Investments value EGP	Paid EGP	Remaining EGP
Available for Sale Financial Investments	611,775,824	413,840,156	197,935,669
Financial Investments in associates Co.	1,395,000	648,750	746,250

- Fixed Assets & Branches Constructions

The value of Commitments for the purchase of fixed assets contracts and branches constructions that have not been implemented till the date of financial statement amounted to EGP 4,904,068

B) CI Capital Holding Co.

CI Capital Holding Co. assigned One of The Biggest Contractors Companies to Held a Premises in Smart Village with Total Budget EGP 37,184,572 And It Will Be Finished After 16 Months Started in 23 April 2008 And The Co. Paid 20% From The Total Budget and the value of work performed as of the date of the Balance Sheet amount EGP 8,420,566.

As a Down Payment Against Unconditioned Irrevocable Bank Letter Of Guarantee.

16- Debit Balances and Other Assets

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Accrued Revenues	398,537,508	460,502,319
Prepaid Expenses	57,238,848	54,175,157
Advances for Purchase of Fixed Assets	118,184,293	204,935,394
Assets Acquired as Settlement of Debts *	52,165,659	29,361,646
Accounts receivable & Other Assets ***	346,728,856	288,214,383
Accrued Balances of Customers Loans **	-	241,625,336
	972,855,164	1,278,814,235
Deduct		
Provision for General & Insurance Risk **	-	(243,638,021)
Total Debit Balances and Other Assets	972,855,164	1,035,176,214

* This Include The Value Of Premises That Was Not Recorded Under The Bank's Name By EGP 32,682,053 Which Were Acquired Against Settlement Of The Debts Mentioned Above, In The SameTime The Legal Procedures Are Under Process To Register Or Sell These Assets Within The period required by law.

** 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

*** Include EGP 15,955,151 as Assets Held For Sale.

17- Net Fixed Assets (Net of Accumulated Depreciation)

	Dec. 31, 2008							Total EGP
	Land EGP	Premises EGP	IT EGP	Vehicles EGP	Fitting -Out EGP	Machines & Equipment EGP	Furniture & Furnishing EGP	
Opening Balance (3)	63,793,260	298,200,192	411,682,566	22,539,347	139,643,839	171,048,907	81,302,725	1,188,210,836
Additions (Deductions) During The year	13,276,188	35,162,427	119,067,190	2,459,093	50,089,658	49,762,116	20,053,455	289,870,127
Closing Balance (1)	77,069,448	333,362,619	530,749,756	24,998,440	189,733,497	220,811,023	101,356,180	1,478,080,963
Accu. Depreciation at Beginning of The year (4)	-	91,389,674	250,320,234	18,320,122	88,854,558	84,320,370	34,766,996	567,971,954
Current year Depreciation	-	15,144,584	75,606,602	2,553,138	33,149,425	24,068,975	11,245,583	161,768,307
Accu. Depreciation at end of The year (2)	-	106,534,258	325,926,836	20,873,260	122,003,983	108,389,345	46,012,579	729,740,261
End of year Net Assets (1-2)	77,069,448	226,828,361	204,822,920	4,125,180	67,729,514	112,421,678	55,343,601	748,340,702
Beginning of year Net Assets (3-4)	63,793,260	206,810,518	161,362,332	4,219,225	50,789,281	86,728,537	46,535,729	620,238,882
Depreciation rates		5%	20%	20%	33.3%	12.5%	10%	

* Net fixed assets value on the Balance Sheet date includes EGP 73,303,957 non registered assets while their registrations procedures are in process.

18- Due to Banks

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
(a) Central Bank		
- Current Accounts	75,056,264	80,028,494
- Time Deposits	-	2,012,792,500
Total Due to Central Bank	75,056,264	2,092,820,994
(b) Local Banks		
- Current Accounts	34,833,336	26,463,751
- Time Deposits	-	28,480,310
Total Due to Local Banks	34,833,336	54,944,061
(c) Foreign Banks		
- Current Accounts	116,257,050	199,834,891
- Time Deposits	2,847,572	31,013,432
Total Due to Foreign Banks	119,104,622	230,848,323
Total Due to Banks	228,994,222	2,378,613,378

19- Customers' Deposits

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Demand Deposits	12,978,489,163	11,566,831,688
- Time & Notice Deposits	19,946,553,875	13,612,928,991
- Saving & Deposit Certificates	7,395,350,361	5,948,726,982
- Saving Deposits	7,316,052,948	6,517,256,544
- Other Deposits	1,153,583,462	1,830,308,636
Total Customer Deposits	48,790,029,809	39,476,052,841

20- Credit Balances and Other Liabilities

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Accrued Interest Payable	208,568,878	176,020,513
- Accrued Expenses	63,085,571	34,419,303
- Accounts Payable	916,240,507	489,355,989
- Due to Associated & Subsidiaries Companies	-	13,323,760
- Other Liabilities	41,385,402	46,559,386
Total Credit Balances And Other Liabilities	1,229,280,358	759,678,951

21- Long Term Loans

	Rate %	Maturity date	Due through next year EGP	Balance as of Dec. 08 EGP	Balance as of Dec. 07 EGP
- F.I.S.C.	7	3-5 years	12,000,000	30,439,600	40,565,200
- K.F.W	9-10.5	10 years	6,935,659	16,010,946	15,195,955
- UNIDO	1	2011	517,480	847,580	8,038,908
- Ministry of Agriculture (F.S.D.P)	3.5 - 5.5 depends on maturity date	3-5 years	41,884,205	58,804,557	92,594,906
- Ministry of Agriculture (V.S.P)	3.5 - 5.5 depends on maturity date	3-5 years	65,000	125,000	10,000
- Social Fund	3 months T/D or 9% which more	2010	1,560,000	3,046,250	4,951,250
Total			62,962,344	109,273,933	161,356,219

22- Other Provisions

	Dec. 31, 2008 EGP					
	Opening Balance	Formed During the year	FCY Balance Reval. Difference	Usage During the year	Balance No Longer Required	Closing Balance
- Provision for Income Tax Claims	229,198,246	7,017,276	1,583	(10,264,010)	(70,000,000)	155,953,095
- Provision for Legal Claims	1,123,118	487,075	(1,194)	(337,886)	-	1,271,113
- Provision for Contingent	167,036,000	38,760,000	517,939	-	-	206,313,939
- Provision for Other Claim	492,272	10,213,953	-	(1,324,265)	(658,511)	8,723,449
- Provision of end of service bonus	74,903	339,610	-	(30,873)	-	383,640
Total Other Provisions	397,924,539	56,817,914	518,328	(11,957,034)	(70,658,511)	372,645,236

	Dec. 31, 2007 EGP					
	Opening Balance	Formed During the year	FCY Balance Reval. Difference	Usage During the year	Balance No Longer Required	Closing Balance
- Provision for Income Tax Claims	229,198,246	-	-	-	-	229,198,246
- 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 for General risk	492,272	-	-	-	-	492,272
- 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

23- 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 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 (ESOP) By Issuing A Maximum Of 5% Of Issued And Paid-In Capital At Par Value ,Through 5 Years Starting 31,Dec 2006 And Delegated The Board Of Directors To Establish The Rewarding Terms & Conditions And Increase The Paid In Capital According To The Program.

(b) Reserves

- According To The Bank Statues 5% Of Net Profit Is To Increase Legal Reserve Until Reaches 50% Of The Bank's Issued And Paid In Capital
- Concurrence Of Central Bank Of Egypt For Usage Of Special Reserve Is Required .
- According To CBE Regulations, A Reserve And Retained earnings Accounts Has Been Formed For Difference Revaluation For Financial Investment (Available For Sale) For Prior Years

24- Contingent Liabilities & Commitments

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
Letters of Guarantee	10,852,854,384	8,710,786,948
Letters of Credit (Import & Export)	1,933,869,400	2,233,007,892
Customers Acceptances	504,220,921	616,046,795
Total	13,290,944,705	11,559,841,635

25- Net Interest Income

Interest Received from Loans and similar items.

Loans & Facilities

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Banks	5,549,512	3,925,710
- Clients	2,003,772,928	1,712,418,676
Total	2,009,322,440	1,716,344,386
- Treasury Bills & Bonds	623,807,366	327,029,198
- Deposits & Current Account	1,024,064,455	740,531,515
- Financial Investment In Debt Instruments Held to Maturity & Available for Sale	49,785,679	77,368,908
- Other	58,227,573	136,792,638
Total	3,765,207,513	2,998,066,645
Interest Paid on deposits and similar items		
Deposits & Current Account:-		
- Banks	97,515,593	69,203,483
- Clients	1,789,342,467	1,507,717,820
Total	1,886,858,060	1,576,921,303
- Other Loans	6,245,478	3,579,534
- Other	73,443,883	217,342,046
Total	1,966,547,421	1,797,842,883
Net	1,798,660,092	1,200,223,762

26- Trading Net Profit

Foreign exchange operations:-

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Profit (Losses)From Foreign exchange	277,942,194	153,821,842
- Profits (Losses) from Revaluig Trading Assets & Liabilities in Foreign Currencies	(761,507)	(5,101,086)
- Profit (Losses)From Forward Foreign exchange Deals Revaluation	(1,555,899)	(689,232)
- Profit (Losses)From Interest rate Swap Revaluation	23,259,000	23,386,836
- Profit (Losses)From Currency Swap Deals Revaluation	26,932,691	41,353,081
- Debt Instruments For Trading	53,231,649	46,663,091
- Equity Instruments For Trading	(33,680,387)	17,287,245
Total	345,367,741	276,721,777

27- Comparative Figures

As a Result of Changing The Accounting Standards Concerning The Financial Investments, The Bank Has restated the Comparative Figures (as mentioned in note 2 A) For Some Items In Balance Sheet and Income Statement as Hereunder:-

	Balance Before Restatement EGP	Balance After Restatement EGP
Financial Investment Available For Sale Financial Derivatives	2,382,992,007	2,353,862,934
Debit Balances	-	75,307,833
Credit Balances	-	63,166,763
Special Reserves	162,709,903	213,609,315
Fair Value Reserve (Available For Sale Financial Investment)	4,870,506	60,903,531
Retained Earnings		41,349,498
Net Trading Income	212,982,610	276,721,777
Profits (losses) Financial Investments	276,290,900	226,736,631
Income Tax	(167,662,101)	(194,218,288)

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

Comparative figures in the bank's Consolidated Financial Statements are Consisting of the Financial Statements of Commercial International Bank and 50.09 % of Consolidated Financial Statements of CI Capital Holding Company using Proportionate Consolidation therefore the comparative figures can not be directly compared to figures for current year

28- Deferred Tax Assets and Liabilities

	Assets (liabilities) Dec. 31, 2008 EGP	Assets (liabilities) Dec. 31, 2007 EGP
Recognized Deferred Tax Assets (Liabilities)		
Deferred Tax Assets And Liabilities Are Attributable To The Following:		
Deferred Tax		
- Fixed Assets (Depreciation)	(28,505,471)	(23,074,328)
- Other Provisions(Excluded Loan Loss & Contingent Liabilities And Income Tax Provisions)	1,998,913	48,952,228
- Other Items(Other Investments Revaluation Difference)	28,533,744	20,190,375
- Reserve For Employee Stock Ownership Plan (ESOP)	17,345,581	5,831,917
Total Deferred Tax Assets(Liabilities)	19,372,767	51,900,192

29- Reconciliation of effective tax rate

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Profit Before Tax	1,616,419,056	1,471,692,072
- Tax Rate	20%	20%
Income Tax based on accounting profit	323,283,811	294,338,414
Add / (Deduct)		
- Non-Deductible Expenses	67,996,440	7,578,086
- Tax Exemptions	(136,173,947)	(146,125,178)
- Effect Of Provisions	(4,102,447)	26,967,598
Income Tax	251,003,857	182,758,920
Effective Tax Rate	15.53%	12.42%

30- Earning Per Share

	Dec. 31, 2008 EGP	Dec. 31, 2007 EGP
- Net Profit For The year	1,370,592,742	1,286,186,846
- Board Member's Bonus	(20,558,891)	(19,292,803)
- Staff Profit Sharing	(137,059,274)	(128,618,685)
- Shareholders' Share In Profits	1,212,974,577	1,138,275,358
- Number Of Shares	292,500,000	292,500,000
- Earning Per Share	4.15	3.89
* By Issuance Of ESOP Shares Earning Per Share Will Be:		
- Number Of Shares Including ESOP Shares	295,478,665	294,409,350
- Diluted Earning Per Share	4.11	3.87

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 year (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 year Are As Follows:

	Number of Shares
Outstanding At The Beginning Of The year	1,909,350
Granted During The year	1,276,665
Forfeited During The year	(207,350)
Exercised During The year	-
Expired During The year	-
Outstanding At The End Of The year	2,978,665

- The Estimated Fair Value Of The Equity Instrument Granted To The First Tranch Is EGP 45.82 .
- The Estimated Fair Value Of The Equity Instrument Granted To The Second Tranch Is EGP 81.18 .

32- Assets & Liabilities Maturities

	Maturity Within one year	Maturity Over One Year
Assets		
- Cash And Due From Central Bank	6,493,360,095	-
- Due From Banks	4,551,845,285	-
- Treasury Bills And Other Governmental Notes	13,069,722,571	-
- Trading Investments	641,627,430	-
- Available For Sale Investments	2,774,965,250	-
- Customers' Loans & Overdrafts	14,721,451,328	12,791,985,417
- Banks' Loans & Overdrafts	79,687	344,419,123
- Held To Maturity Investments	20,051,249	661,212,025
- Investments In Associated Companies	-	92,923,215
- Debit Balances And Other Assets	972,855,164	-
	43,245,958,059	13,890,539,780
Liabilities		
- Due to Banks	228,994,222	-
- Customer Deposits	41,376,121,147	7,413,908,662
- Long Term Loans	62,962,344	46,311,589
- Credit Balances and Other Liabilities	1,229,280,358	-
	42,897,358,071	7,460,220,252

33- Interest Rate

The Average Interest Rates Applied for Assets and Liabilities During The Year Are 7.21 % & 3.65 % 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 2004.
- Corporate Income Tax For The Years 2005-2006 Will Be Examined From The Tax Authority.
- 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

	Local Currency	Foreign Currency
Assets		
1- Due From Banks	642,370,245	3,909,475,039
2- Loans & Overdrafts		%
Agriculture Sector	62,198,759	0.2
Industrial Sector	10,499,496,255	37.5
Trading Sector	1,375,973,774	4.9
Services Sector	11,392,863,009	40.7
Household Sector	2,277,076,866	8.1
Other Sectors	2,400,336,389	8.6
Total Loans & Overdrafts (Including unearned interest)	28,007,945,052	100
Unearned Discounted Bills	(119,310,349)	
Provision for Doubtful Debts	(1,408,297,328)	5.0
Unearned Interest & Commission	(150,009,498)	
Net Loans & Overdrafts	26,330,327,877	
	Local Currency	Foreign Currency
Liabilities		
1- Due to Banks	36,118,171	192,876,051
2- Customers' Deposits		%
Agriculture Sector	95,133,156	0.2
Industrial Sector	5,762,542,659	11.8
Trading Sector	1,955,118,330	4.0
Services Sector	11,121,318,409	22.9
Household Sector	24,711,197,433	50.6
Other Sector	5,144,719,822	10.5
Total Customers' Deposits	48,790,029,809	100
	Local Currency	Foreign Currency
Contingent Accounts		
- Letters Of Guarantee	3,933,462,215	6,919,392,169
- Letter Of Credit (Import & Export)	12,639,451	1,921,229,949
- Customers Acceptances	64,388,766	439,832,155
Total	4,010,490,432	9,280,454,273

36- Main Currencies Positions

	Dec. 31, 2008 in thousand EGP	Dec. 31, 2007 in thousand EGP
- Egyptian Pound	(6,756)	(13,959)
- US Dollar	4,714	(56,955)
- Sterling Pound	(3,303)	(389)
- Japanese Yen	(333)	(377)
- Swiss Franc	1,024	821
- Euro	15,811	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 30,647,805 With Redeemed Value LE 4,194,458,592.
- The Market Value Per Certificate Reached EGP 136.86 On 31/12/2008.
- The Bank Portion Got 2,321,802 Certificates With Redeemed Value EGP 317,761,822 .

(2) Istethmar Fund

- CIB 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 3,481,368 With Redeemed Value LE 227,368,144.
- The Market Value Per Certificate Reached EGP 65.31 On 31/12/2008.
- The Bank Portion Got 174,072 Certificates With Redeemed Value EGP 11,368,642.

(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 1,227,413 With Redeemed Value LE 68,501,920.
- The Market Value Per Certificate Reached EGP 55.81 On 31/12/2008.
- The Bank Portion Got 30,686 Certificates With Redeemed Value EGP 1,712,586.

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.

	EGP
- Loans & Overdrafts	319,307,234
- Investment in Subsidiary Companies	192,258,365
- Customer Deposits	141,667,446
- Contingent Accounts	47,864,230

Income And Expenses With Related Parties Are Represented As Follows:

	Income (EGP)	Expenses (EGP)
- International Co. for Security & Services	1,001,416	36,639,026
- Egypt Factors	82,463	140,860
- Corplease Co.	48,104,095	575,188
- Commercial International Life Insurance Co.	7,265,684	1,812,838

39- Acquisition Cost

In July 9,2008 The bank acquired 49.89% as an extra portion in CI Capital Co. to be 99.89% and the Provisional-Consolidation process has been finished at the end of year 2008 and the consolidation process has a result of goodwill in amount of EGP 384,221,251 in the acquisition date.

As a result of current financial turmoil in the international and local markets, a sharp decline in market indicators has been witnessed from October 2008, so the bank has prepared a study to determine the impairment value in the Goodwill which showed a decline with amount of EGP 183,698,000 which has been carried with income statement at the end of the year

Intangible Assets which has been acquired at the acquisition date are determined as follows:

	EGP
1- Brand	336,790,272
2- Licenses	20,000,000
3- contracts	119,694,389
4- customer relationships	198,187,745
Total	674,672,406
Amortization from July 2008	(33,733,620)
Net Intangible Assets	640,938,786

Economic Benefits for the intangible assets are determined to amortized in 10 years unless there is an indicator for the declining and to be carried with income statement.

10 Years Historical Pro Forma Financial Statements

Bank Assets	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Cash and Due from CBE	1,632.7	1,618.0	1,829.5	2,050.6	2,674.3	2,970.8	3,077.7	3,742.9	4,953.2	6,493.3
Due from Banks	1,379.4	2,056.7	2,347.9	2,900.7	3,782.0	4,650.0	3,406.6	5,432.7	13,782.1	4,391.0
Treasury Bills	311.1	682.7	808.2	1,321.6	1,427.2	2,943.0	3,494.3	4,088.7	2,948.7	12,449.0
Investment	1,524.6	1,596.4	1,947.1	2,012.1	3,114.3	3,162.3	5,295.1	5,363.4	3,745.0	5,079.4
Loans & Advances (net of provisions)	9,841.7	10,313.0	11,107.2	10,918.7	12,505.2	13,394.5	14,039.1	17,464.7	20,478.0	26,330.3
Sundry Assets	216.0	230.5	377.9	339.7	418.4	561.5	701.2	862.3	1,073.4	964.5
Non-Banking Assets	110.1	136.0	183.6	215.2	232.0	294.8	376.4	497.8	607.1	715.3
Derivatives									75.0	704.9
Total Assets	15,015.6	16,633.3	18,601.4	19,758.6	24,153.4	27,976.7	30,389.5	37,422.5	47,662.5	57,127.7

Bank Liabilities	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Customer Deposits	10,187.3	11,375.1	13,993.8	15,814.7	20,414.7	23,979.2	24,870.3	31,600.2	39,514.5	48,938.1
Bank Deposits	269.4	176.9	285.1	327.9	163.3	224.7	719.7	1,212.5	2,377.1	213.5
Dividends and Profit Sharing	266.4	288	289.9	238.8	242.5	285.7	200.2	287.2	336.7	478.2
Bonds	600	600	600	300	-	-	-	-	-	-
Mid-term Borrowings	1,303.6	1,396.9	768	326	270.4	121	98.3	99.2	161.4	109.3
Provisions & Other Liabilities	1,022.3	1,332.9	1,089.3	1,033.7	1,154.5	1,243.1	1,973.9	1,183.5	1,130.0	1,557.8
Derivatives									63	636.9
Net Worth	1,366.60	1,463.50	1,575.30	1,717.40	1,908.00	2,123.10	2,527.10	3,039.90	4,080.00	5,672.1
Total Liabilities & Net Worth	15,015.6	16,633.3	18,601.4	19,758.6	24,153.4	27,976.7	30,389.5	37,422.5	47,662.5	57,127.7

Profit & Loss Statement

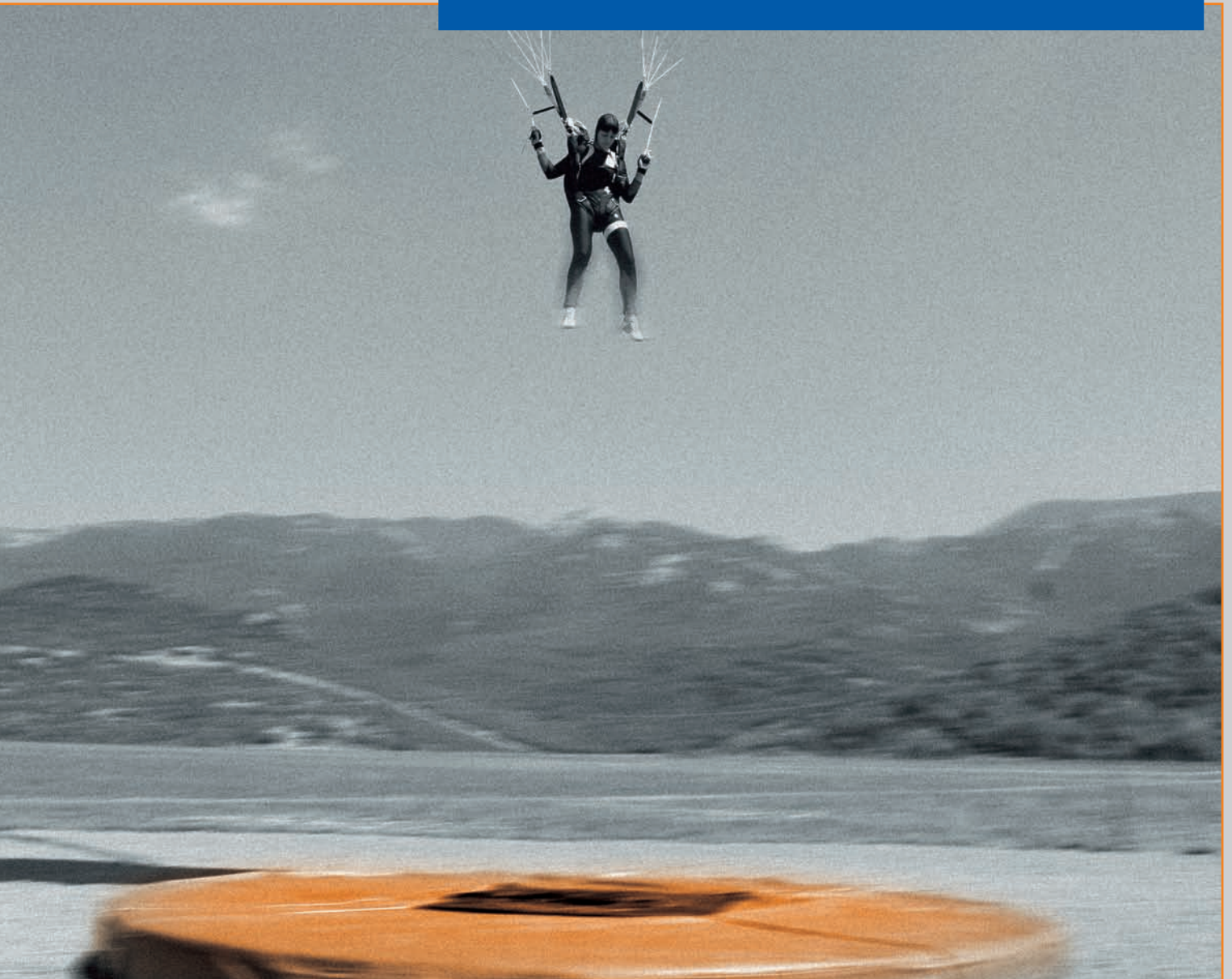
Item	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Interest Income	1,162.1	1,391.6	1,363.4	1,390.5	1,447.9	1,617.1	2,028.2	2,317.8	2,993.7	3,772.9
Interest Expense	(765.8)	(943.6)	(925.3)	(883.4)	(869.1)	(908.2)	(1,132.3)	(1,378.2)	(1,796.7)	(1,963.7)
Net Interest Income	396.3	448.0	438.1	507.1	578.8	708.9	895.9	939.6	1,197.2	1,809.2
Fees & Other Income	292.2	394.5	455.0	423.7	432.5	563.8	589.7	817.7	1,116.0	1,464.5
SG&A	(173.3)	(189.2)	(189.5)	(203.6)	(267.2)	(444.4)	(510.0)	(684.3)	(661.5)	(1,023.3)
Provisions & Other Expenses	(86.6)	(138.6)	(252.5)	(304.4)	(250.3)	(272.7)	(364.9)	(194.3)	(250.4)	(394.5)
Net Profit Before Tax (NPBT)	428.6	514.7	451.1	422.8	493.8	555.7	610.6	878.7	1,400.9	1,855.9
General Income Tax	(77.7)	(129.7)	(49.3)	(41.9)	(81.2)	(50.0)	(34.0)	(83.8)	(180.0)	(209.8)
Deferred Tax							33.5	7.1	12.2	(31.0)
Net Profit After Tax (NPAT)	350.9	385.0	401.8	380.9	412.6	505.7	610.1	802.0	1,232.8	1,615.1
Growth	13%	10%	4%	-5%	8%	23%	21%	31%	54%	31%

08

A N N U A L R E P O R T

Branches & Public Units

**"Individually, we are one drop. Together, we are an ocean."
Ryunosuke Satoro**



Branches & Public Units

Year	Branches	Units & FX	Total
2008	104	48	152
2007	88	45	119
2006	74	39	100
2005	61	39	92
2004	53	38	81
2003	43	44	82





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