

Annual Report 2007



NSGB

البنك الأهلي سوسيتيه جنرال
NATIONAL SOCIETE GENERALE BANK

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Vision

Creativity and Innovation is embedded in the fabric of our day to day operations, which is the wheel for all the activities of **National Société Générale Bank**

Keeping in mind our three most shared values:

Innovation

Professionalism

Team Spirit



Message From The Chairman and Managing Director

Dear **Shareholders**,

In 2007, National Société Générale Bank recorded another year of fast growth, reflecting the strong performance of the Egyptian economy as a whole.

The firm adherence of the Egyptian economy to the reform agenda defined in 2004 contributed to a robust performance in 2007: the GDP growth accelerated to 7.1%, while the flow of Foreign Direct Investment reached unprecedented levels at USD 11 billion. Suez Canal and Tourism revenues further sustained the external position of the country. The increased confidence in the strength of the economy was translated in 2007 into an appreciation of the local currency against the US dollar.

While mature economies were impacted by turmoil in financial markets during the second half of 2007, the emerging markets have so far been unaffected and the Egyptian banking sector still enjoys a high level of liquidity.

NSGB played its role in the development of the Egyptian economy in 2007: the corporate banking activity in general and the project finance team of the bank in particular were deeply involved in the financing of several major industrial facilities, while the branch network continued to support the growth of small and medium size enterprises by providing banking services and funding lines. Thanks to its active role within the business community, NSGB gained market share in 2007, to reach 5.8%.

Pursuing the implementation of its profitable growth strategy, NSGB opened 21 new branches in 2007. While the bank strengthened its presence in Cairo and Alexandria, it further improved its positions in the Delta region, along the Suez Canal and in the Red Sea area, and initiated a move to the underserved Upper Egypt. Further branch openings are in the pipeline for the coming year.

At NSGB, we are committed to provide innovative financial solutions to our clients. In 2007 the bank launched new products tailored to the needs of professionals. Also, through its new brand CrediNil, NSGB has started to deeply renovate the Egyptian consumer finance industry by offering car dealers and merchants state-of-the-art solutions to boost their sales.

While securing additional business, NSGB continued to improve its infrastructure. The bank



Mohamed El Dib
Chairman and Managing Director

migrated to a new IT platform, in a move that was the last step in the integration of ex-MIBank: since November 2007, all the clients of the bank can be served at any of our 117 branches. The new IT solution will support future business developments while improving the efficiency of our operations.

The professionalism and commitment of our staff, the investment in infrastructure and human resources were once again translated into very good results; the gross operating income grew by 23% compared to 2006. In spite of good will amortization (362 million), the net income reached EGP 674 million.

I am confident that, with the full support of Société Générale, NSGB has today the resources to fulfill its ambition to become the reference universal bank in Egypt in the coming years.

On behalf of our Board of Directors, I express my gratitude to our valuable employees for these outstanding achievements and for their loyalty, which is the guarantee of our future progress. I also thank our customers for their continuous trust and confidence.

Board of Directors and Committees

Board of Directors:

Mr. Mohamed Osman El-Dib	Chairman & Managing Director
Mr. Guy Poupet	Vice Chairman & Managing Director
Mr. Jean Philippe Coulier	Board Member & Deputy Managing Director
Mr. Didier Alix	Board Member
Mr. Jean Louis Mattei	Board Member
Mr. Mohamed Madbouly	Board Member
Mr. Ahmed Abou Bakr	Board Member
Mr. Mohamed Fathy Awad	Board Member
Ms. Julie Coulon	Board Member

Executive Committee:

Mr. Mohamed Osman El-Dib	Head of Executive Committee
Mr. Guy Poupet	Executive Committee Member
Mr. Jean Philippe Coulier	Executive Committee Member
Mr. Mohamed Fathy Awad	Executive Committee Member
Mr. Pierre Le Run	Executive Committee Member
Mr. Jean-Luc Grasset	Executive Committee Member
Mr. Tarek Abdel Raouf Fayed	Executive Committee Member

Audit Committee:

Mr. Mohamed Madbouly	Head of Audit Committee
Mr. Ahmed Abou Bakr	Audit Committee Member
Ms. Julie Coulon	Audit Committee Member

Divisions

Corporate Branch Network Division:

Mr. Mohamed Fathy Awad	Head of Division
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Corporate & Investment Banking Division:

Mr. Tarek Fayed	Head of Division
Mr. Joseph Badour	Deputy Head of Division

Retail Banking Division:

Mr. Pierre Le Run	Head of Division
Mr. Michel Casadoumecq	Head of Distribution

Administration & Operating Division:

Mr. Jean-Luc Grasset	Chief Operating Officer
Dr. Hassan Saleh	Head of Organization & Logistics
Mr. Ihab Raafat	Head of Human Resources
Mr. Tarek El-Mahmoudy	Head of Information Technology
Mr. Bassem Nour-El-Din	Head of Banking Services

Secretary General Division:

Mr. Saber Farag	Secretary General
Mr. Samy Hassan	Head of Internal Audit
Mr. Denis Mathis	Co-Head of Internal Audit
Mr. Alaa Mahmoud	Head of Compliance
Mr. Medhat Refaat	Head of Legal
Mr. Sherif Tag	Head of Communications

Financial Division:

Mr. Bertrand Cozzarolo	Chief Financial Officer
Mr. Mohamed Soliman Hamad	Chief Accounting Officer

Risks Division:

Mr. Patrick Laurent	Head of Division
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Consumer Finance Division (CREDINIL):

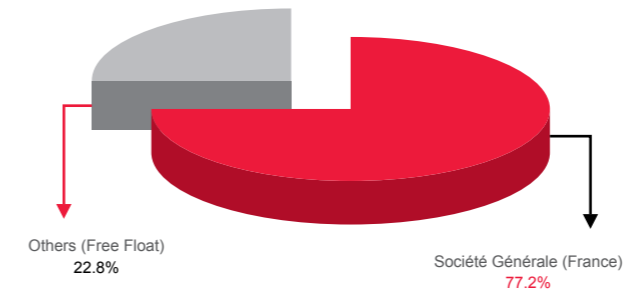
Mr. Walid Chaouch	Head of Division
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Overview

The Shareholders Structure is as follows:

Société Générale (France)	77.2%
Others (Free Float)	22.8%



NSGB Life Insurance Company Created in 2003:

NSGB Life Insurance Company is a joint stock between SOGECAP (No.5 in France, fully owned by Société Générale) and NSGB. The company has developed a large range of products meeting main customer needs in saving and planning (AIRafiq Graduation, AIRafiq Wedding, AIRafiq Retirement, AIRafiq Project) & El Nokhba saving program. In addition, the protection policies for both individuals and corporate staff. Licensed by EISA, the company is among the few players in Egypt combining local roots with international standards.

NSGB Subsidiaries:

The bank has established various subsidiaries in specialized fields that will position NSGB as a major financial institution. The creation of these subsidiaries further demonstrates Société Générale Group's commitment to Egypt.

ALD Automotive Company Created in 2005:

ALD automotive company is a subsidiary of National Société Générale Bank (25%) and ALD (Europe) (75%), began its activity on September 2005. It's a long-term rental & fleet management for vehicle. The company offers full service operating lease for all marks and models of vehicle for corporate clients, vehicle's delivery service, maintenance and tyres management, a road assistance service. It's considered the first company of its kind in the Egyptian market.

Sogelease Egypt (NSGB Leasing Company) Created in 1997:

The first incorporated Egyptian leasing company as a joint venture between Société Générale (40%), National Société Générale Bank (40%) and National Bank of Egypt (20%) to provide leasing services to Egyptian companies. Sogelease Egypt is the market leader with around 2 billion book value assets leased.



NSGB Corporate Banking Activities

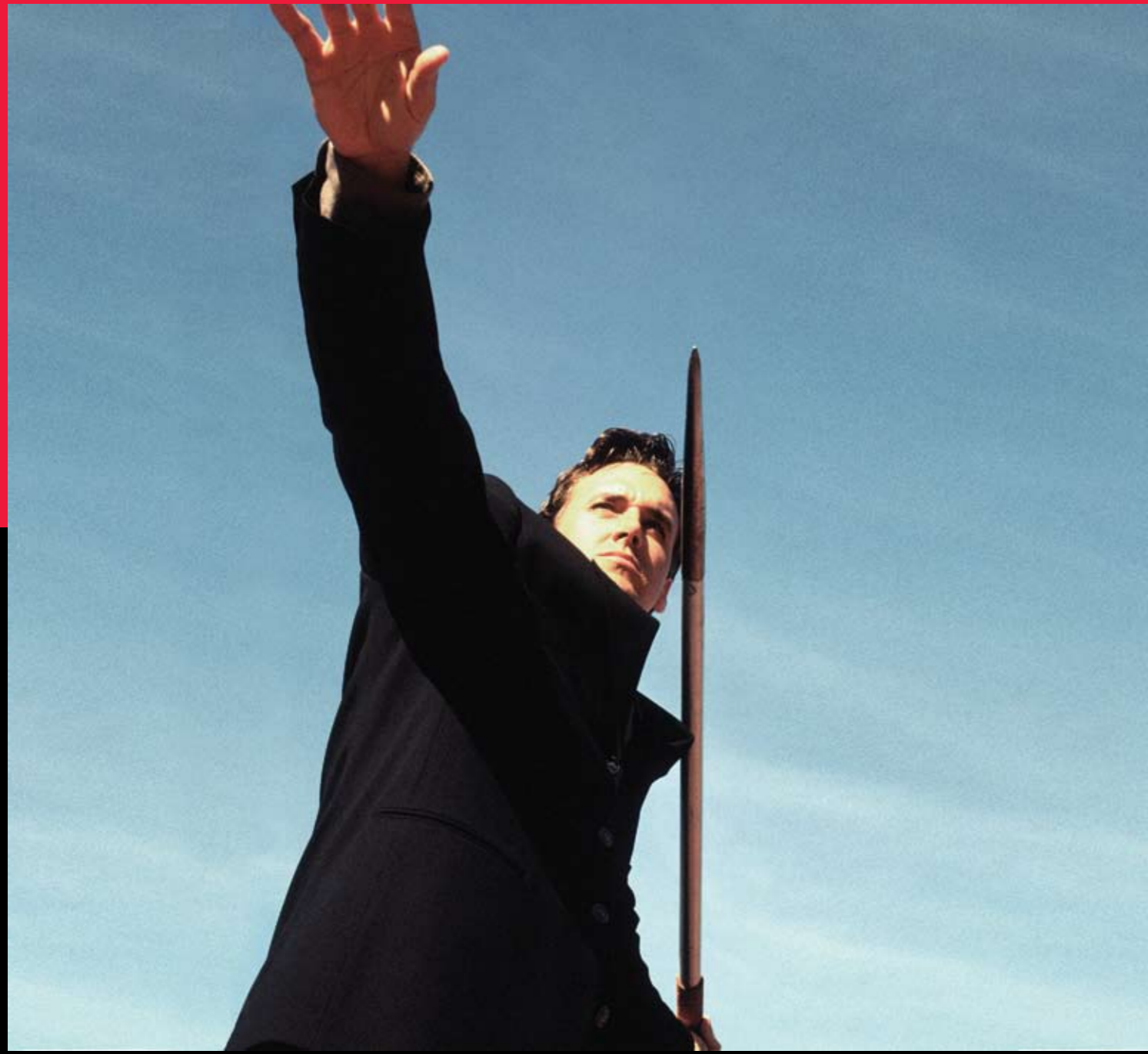
The year 2007 was a challenging year for the international economy, the Egyptian economy, and NSGB. Internationally, the world witnessed a major economic hit with the emergence of the American sub-prime mortgage crisis. This has not affected the US market only but has had its negative implications in Europe and the rest of the world. Foreign exchange rates, commodity prices - on top of which Oil - and interest rates have all been affected taking the world economy into a contraction period. While the Egyptian economy has not yet felt this, it performed well on 2007 in terms of GDP growth, which reached an all-times record high, the country continued to suffer from inflationary pressure fuelled by the rising budget deficit and imported inflationary pressure that led the Central Bank of Egypt to perform a series of interest rate hikes. On the other hand, corporate results, tourism, and Suez Canal all did very well in 2007. This is leading to hopes that 2008 will be good year for the Egyptian Economy; yet very challenging as part of the global economy.

At NSGB's level, 2007 was quite challenging. For example, while there are signals for rising interest rates which might affect corporate appetite for borrowing, competition among banks, and the increased number of new entrants fuelled price competition. In the meantime, the year marked the first year of operations following the legal and physical merger between Ex-MIBank and NSGB. To add on the series of challenging, 2007 also witnessed the full migration to new IT operating platform, something that usually happens every couple of decades. Last but not least, NSGB continued to grow organically, opening new branches and adding more affiliate companies. In spite of that, NSGB's Corporate Banking Activities continued to outperform, and remains to be the main driver for NSGB's growth and profitability.

Corporate Banking Loan Portfolio grew by LE 3.6 Billion or 23%, and Contingent Liabilities grew by LE 3.9 Billion or 32 %. This has been the result of our continued efforts to lead the market in project finance, syndications, and trade finance. Niche markets in Egyptian large and medium size enterprises and multinational corporations have also demonstrated impressive achievements. Synergies from the merger have also been well felt, and contributed to the evolution of business.

Supported by Societe Generale skills, expertise, and global presence, NSGB continued to differentiate itself as a market leader combining international expertise and standards with local knowledge, skills and capacity. NSGB continued to be very active in growing economic sectors such as oil, gas and petrochemicals, building materials, commodities, transportations, and telecommunications. 2008 will be another challenging year for the world economy and the Egyptian economy.

We, at NSGB, plan to capitalize on our excellent skills, strong capacities, and superior corporate relationships to continue to grow profitably while maintaining our excellent quality of assets. New products and services are being launched to provide our clients with the most advanced and state-of-the-art banking services in close synergies and support of our parent company.



NSGB Retail Banking Activities

NSGB Branches Network Expansion:

During 2007, NSGB continued to strengthen its retail activities and expand its coverage in Egypt. With the opening of 6 new branches in Cairo, 2 in Giza, 4 in Alexandria, 2 in the Red Sea and with the first branch premises in Banha, NSGB branch network has reached 113 branches by end of 2007 in order to become closer to valued clients. At the same time, NSGB has now 14 branches working with extended hours till 5 PM to serve our clients over a longer period of time. Moreover, the automated service network continued its expansion to reach 230 ATMs and 15 cash accepting machines, all available 24 hours a day, 7 days a week.

More products and services for more client satisfaction:

Since NSGB has always been committed to launch new products and services, improve and enhance its products offerings to satisfy its customers' needs; in 2007 the Professionals Program was launched. It is a comprehensive program especially designed to meet the daily needs of the professionals. It is made up of a package of different banking services (Pack Pro) offered to all professionals and a wide set of credit facilities offered to the medical sector to help realize their dream of acquiring the latest medical equipment, renewing all types of medical business premises and financing the pharmacy working capital.

'Makany' is another insurance product launched in 2007. It is our new property insurance program introduced in association with Allianz Insurance Company Egypt. 'Makany' is the multi-package solution presented to protect the applicant's home, office and shop against the unexpected and unfortunate events such as fire, robbery, window breaking, etc. with just a small annual premium.

In addition to all these prime new products, we have extended our credit facilities offering to provide our customers with credit facilities against Themar; the NSGB daily cumulative money market fund. Now all Themar subscribers have the ability to take all types of credit facilities valued up to 80% of Themar's market value at a competitive interest rate.

During 2007, NSGB has promoted its new VISA Card identity, and encouraged clients to use the cards through exclusive deals, all listed in the 2007 discount booklet, which had more variety of partners compared to 2006.

Special promotions throughout 2007 included offers for Valentine's Day and Mother's day. In addition, NSGB also continued to expand the presence of its Youth offer YO! through several events in key universities all over Egypt.

A Focus on Cross selling Opportunities:

These promotions coupled with a strong marketing plan enabled the bank to increase its performance in comparison with the previous year. With a large client base, that exceeded half a million clients and a wider range of products offering, the bank was able to attain a level of retail client deposits of 14 billion EGP at the end of 2007.

NSGB is keeping its promise to continue its network organic growth and will make the most to cater to clients' requirements throughout the country and offer new products and services to fulfill the needs of other segments, hoping to reach their utmost satisfaction.



Retail Banking Products and Services

Deposits and Accounts:

- Current account
- Checking account
- Savings account
- Minor Savings account
- 'Themar' the daily cumulative money market fund
- Time deposits
- Certificates of deposit in local currency:
 - Fixed rate 3,4,5,7, 10 years
 - Cumulative rate 5,6,7,8 years
 - Floating rate 3,5 years
 - Charity certificate of deposit

Loans and Credit Facilities:

- Cash loan
- Car loan
- Durable goods loan
- Education loan
- Speed loan
- Espresso loan
(facilities against NSGB CDs and TDs)
- Salary advance and CD interest advance
- Aqarat (Mortgage finance program)

Electronic Banking Services:

- FonaBank
(Phone banking)
- PortaBank
(Mobile banking)
- NetaBank
(Internet banking)
- Email@Bank

Payment Cards:

- NSGB VISA Electron
(Debit card)
- NSGB Credit Card
(VISA Classic and VISA Gold)
- NSGB VISA Internet Card
- Salary Card
- ECDI Card
(CD interest withdrawal)

Services:

- Automatic Transfer
- Safe Deposit Boxes
- Makany Insurance program

Packages:

- Safwa
- Youth offer YO!

Professionals Program:

- Professionals package: Pack Pro
- Savings Pro Account
- Medical sector credit facilities
 - Equipment finance
 - Business premises renovation
 - Medical overdraft

CorpStaff Products:

- Payroll Automated System
- Car Financing Program
- Global Agreement
- Corpstaff Savings Account
- VISA Business Card

Life Insurance Savings Plans and Protection Products:

Through NSGB Life Insurance Company

- AIRafiq Graduation Savings Plan
- AIRafiq Wedding Savings Plan
- AIRafiq Project Savings Plan
- AIRafiq Retirement Savings Plan
- AI Nokhba Savings Plan in US Dollars
- Accidental Coverage Insurance
- Economical Life Insurance
- Borrowers Insurance Contracts



Branches Network

Head office:

Dar Champollion, 5 Champollion St., Downtown - 2664 Cairo
Tel: (202) 27707777
Telex: 93894 NASOG UN
22307 NASOG UN

Head Office 2:

54, El- Batal Ahmed Abdel Aziz St., Mohandessin - 12411 Giza
Tel: 33330447 - Fax: 33380487

Dealing Room:

Tel: 27707510/30/50
Reuters Dealing code: NSGE
Reuter page: NSBG

Cairo Branches:

1. Champollion:
5, Champollion St., Downtown, 11111 Cairo
Tel: (202) 27707000 - Fax: (202) 27707099

2. Talaat Harb:
10, Talaat Harb St., " Evergreen Building", Downtown- 11511 Cairo
Tel: 27708000 - Fax: 25740166

3. Bab El Louk:
6, El Falaky Square, Bab El Louk - Downtown 11513 Cairo
Tel: 27919500/79 - Fax: 27919598/99

4. Alfy:
14, Alfy, St., Downtown - 11511 Cairo.
Tel: 25970890 - Fax: 25970899

5. Kasr El Nile:
48, Kasr el Nile St., Downtown - 11511 Cairo
Tel: 23994200 - Fax: 23994299

6. Manial:
18 Manial St., El Mamalik Square - El Rawdah 11553 Cairo
Tel: 23661200 - Fax: 23661299

7. Manial Palace:
78 El Manial St, 11451 Cairo
Tel: 25352200 - Fax: 25352299

8. El-Kamel Mohamed:
2, El Kamel Mohamed St., Zamalek - 11561 Cairo
Tel: 27281600 - Fax: 27281699

9. Ahmed Heshmat:
31, Ahmed Hasmat St., Zamalek - 44561 Cairo
Tel: 27281700 - Fax: 27358631

10. Shobra :
53, Shobra St. - 11231 Cairo
Tel: 25945900 - Fax: 25945999

11. Aghakhan:
12th tower - Nile towers - Aghkhan - 11614 Cairo
Tel: 22253000 - Fax: 22253099

12. Nile City:
Nile City Building, Corniche El Nil St.- Commercial Centre, First Floor,
Unit No. 110, - 11611 Cairo
Tel: 24619243 - Fax: 24619244

13. Opera:
42, Gomhoria St., Opera Square - Downtown - 11511 Cairo.
Tel: 23999500/21 - Fax: 23999599

14. El Sayeda Zeinab
202, Port Said St. El Sayeda Zeinab - 11461 Cairo
Tel: 23993400 - Fax: 23993400

15. Rod El Farag
74, Rod El Farag St. El Sahel, Shoubra - 11241 Cairo
Tel: 24291000 - Fax: 24291098

16. Kasr El Aini
5, El Kasr El Aini St. Down Town - 11441 Cairo
Tel: 02- 25352100 - Fax: 02- 25352199

17. Mineyet El Sereg
237, Shoubra St. 1 El Ghamrawy St. El Sahel, Shoubra - 11241 Cairo
Tel: 22253081/2 - Fax: 22253084

Heliopolis and Nasr City Branches:

18. Abbaseya:
111 El Abbasseya St., Abbasseya - 11517 Cairo
Tel: 24884000 - Fax: 24884099

19. Hadayek El Kobba:
16, Waley El Ahd St., Saray El Hadayek Mall - 11646 Cairo
Tel: 24885700 - Fax: 24885799

20. Thawra:
18, El Sawra St., Heliopolis - 11341 Cairo
Tel: 24136300 - Fax: 22903277

21. Heliopolis:
7, El- Sayed El Merghany St., Heliopolis - 11361 Cairo
Tel: 24175372 - Fax: 24164898

22. Mahkama Square:
50, El Hegaz St., Heliopolis - 11361 Cairo
Tel: 26359566 - 26359580 (26311700) - Fax: 26359597 (26311799)

23. Hegaz:
143 - 145, El Hegaz St., Heliopolis - 11771 Cairo
Tel: 26311600/97 - Fax: 26445890

24. Triumph:
102, Osman Ebn Affan St., Heliopolis - 11361 Cairo
Tel: 26311403 - Fax: 26445414

25. New Nozha:
3A, Dr. Mohamed Hussien Kamel St. - 11796 Cairo
Tel: 26220251- 26220253 - Fax: 26220254

26. Nozha:
7, El Hagz Square - Heliopolis - 11771 Cairo
Tel: 22410432 - 26390597 - Fax: 26326682

27. Safir:
60, Abou Bakr el Sedik - Safir square - 11361 Cairo
Tel: 226310700 - Fax: 26310799

28. Roxy:
25, El Kobba St Heliopolis - 11757 Cairo
Tel: 24563600 - Fax: 24563699

29. Merghany:

95D, El-Sayed El-Merghany St., (El Shams Tower) Heliopolis - 11361 Cairo
Tel: 24164800 - Fax: 24164899

30. City Stars:
City Stars Mall - Omar Ben El-Khatib St., Market Level - Nasr City - 11361 Cairo
Tel: 24802480 - 24802481 - Fax: 24802483

31. Sheraton Heliopolis:
5, Khaled Ebn El Walid St., Heliopolis - 11736 Cairo
Tel: 22667136 - Fax: 22667158

32. Sakr Koreish:
90, Sakr Koreish Building, Heliopolis - 11736 Cairo
Tel: 26969500 - Fax: 26969599

33. Shorouk City:
Heliopolis Club - Shorouk City - 14811 Cairo
Tel: 26875581 - Fax: 26875582

34. ABB:
7, Dr. Moahmed Kamel Hassanein St., New Nozha - ABB Company - 11796 Cairo
Tel: 26205226 - Fax: 26205227

35. Arab Academy for Science & Technology
Block 1159, Building 1, Mosheir Ahmed Ismail St., Sheraton Heliopolis Buildings
Heliopolis - 11736 Cairo
Tel: 22686751 - 22686752 - 22681553 - Fax: 22686751

36. El Rehab:
Banks Area - Zone B-El Rehab City - 11841 El Rehab City.
Tel: 26940200 - Fax: 26940299

37. Shams:
48, Farid Semeka St, Heliopolis - 11371 Cairo
Tel: 26207092 - Fax: 26207093

38. Makram Ebied:
86, Makram Ebeid St., Nasr City- 11371 Cairo
Tel: 22767000 - Fax: 22767099

39. Nasr City:
3, Abbas El-Akkad St., Nasr City - 11471 Cairo
Tel: 24044529 - 24074621 - Fax: 24044530

40. Ard El Golf:
5, Samir Mokhtar St., Heliopolis - 11341 Cairo
Tel: 24139304 - Fax: 24139399

41. Abbas El Akkad:
20 Abou El Attahia St., Ext. of Abbas El Akkad St. Nasr City -11471 Cairo
Tel: 22769500 - Fax: 22769599

42. Tayaran:
32 Tayaran St., Nasr City - 11709 Cairo
Tel: 24078100 - Fax: 24078199

43. Hassan Mamoon:
125, Hassan El Maamoon St., Zone 6 Nasr City 11391 Cairo
Tel: 22769000 - Fax: 22769099

44. Sebak:
7 El-Sebak St. Heliopolis - 11351 Cairo
Tel: 26311200 - Fax: 26311299

45. Obour:
18 Salah Salem St., Heliopolis - 11811 Cairo
Tel: 24054024 - 24054023 - Fax: 24054021

46. Beirut:
22,Beirut St., Heliopolis - 11341 Cairo
Tel: 24563800 - Fax: 24563899

47. House of Financial Affairs:
Abdel-Aziz El Shenawy St., Nasr City - 11371 Cairo.
Tel: 24010496 - Fax: 24011952

48. Makrizi Branch
43, El makrizi St. Roxy, Heliopolis - 11341 Cairo
Tel: 24563686 - Fax: 24563685

49. El Nasr Road Branch
17, Rabaa Investment Bldg, El Nozha St. Nasr City - 11371 Cairo
Tel: (202) 24139390 - Fax: (202) 24139395

50. kattameya Road Branch
2, Badr Tower, El Kattameya Road - 11742 Cairo
Tel: (202) 27557390 - Fax: (202) 27557398

51. Ain Shams Branch
115, Selim El Awal St. Ain Shams - 11321 Cairo
Tel: (202) 26311900 - Fax: (202) 26311999

Giza Branches:

52. Gameat El Dowal:
9, Gameat El Dowal Al Arabia St., Mohandessin - 12411 Giza
Tel: 33003700 - Fax: 33453642

53. El Batal Ahmed Abdel Aziz
54, El Batal Ahmed Abdel Aziz St., Mohandessin - 12411 Giza
Tel: 33324100/01 - Fax: 33324199

54. Shehab:
30, Lebanon St., Mohandessin - 12655 Giza
Tel: 33000900 - Fax: 33454650

55. Dokki:
64, Mossadak St. Dokki - 12311 Giza
Tel: 33338900 - Fax: 33338999

56. Messaha:
5, Messaha Square, Dokki - 12311 Giza
Tel: 33338100 - Fax: 33338199

57. Agouza:
1, Aswan Square, Agouza - 12645 Giza
Tel: 33000500 - Fax: 33000599

58. Sphinx:
3 Ahmed Oraby St. Mohandessin - 12658 Giza
Tel: 33002500 - Fax: 33002599

59. Sudan:
168, Sudan St. Mohandessin - 12655 Giza
Tel: 33007300 - 33007398 - Fax: 33007399

60. Faisal:
179 El Malek Faisal St. - 12944 Giza
Tel: 33891600 - 33891698 - Fax: 33891699

Branches Network

61. Haram:

360, El Haram St. - 12555 Giza
Tel: 35992400 - 35992498 - Fax: 35992499

62. Nasr El-Din:
426, Pyramids Road, Borg El-Gezira El-Arabia, Haram - 12555 Giza
Tel: 35710248 - Fax: 35710343

63. Mourad:
22, Mourad St. - 12511 Giza
Tel: 35672900 - Fax: 35672999

64. Giza:
61, Moahmed Bahi El-Din Barakat St., Giza - 12511 Giza
Tel: 35674200 - Fax: 35710343

65. El Nile:
5, Wisa Wasef St., Borg El Riad - El Nile - 12511 Giza
Tel: 35732095 - 35732080 - Fax: 35732080

66. Mohi Eldin Abo El Ezz:
72,Mohi El Din Abo El Ezz St., Dokki - 12311 Giza
Tel: 33321780 - Fax: 37482057

67. Wadi El Nil:
22, Wadi El Nil St., Mohandessin - 12411 Giza.
Tel: 33001900 - Fax: 33001999

68. Mostafa Mahmoud:
2, EL Fawakeh St., Mohandessin - 12411 Giza
Tel: 33315000 - Fax: 33315099

69. Galaa:
106, Nile St., Agouza - 12311 Giza
Tel: 33323300 - 33323400 - Fax: 33323399 - 33323499

70. El Bahr El Aazam
304, El Bahr El Aazam St. El Kawthar Bldg, 12211 Giza
Tel: 35670700 - Fax: 35670799

Maadi and Mokatam Branches:

71. Mahatta Square:
1, El Mahatta Square, Sarayat El Maadi - 11728 Cairo
Tel: 27680000 - Fax: 27680099

72. Street 9:
Corner St., 9 & 79 St., Maadi - 11693 Cairo
Tel: 27683800 - Fax: 23580992

73. New Maadi:
Cross-roads of Nasr & El Lasilky St., part 7 block 1, Maadi - 11742 Cairo
Tel: 27542692 - 27543214 - Fax: 27543213

74. El-Nasr:
48, El-Nasr St., New Maadi - 11431 Cairo
Tel: 27026552 - Fax: 27537334

75. Maadi Degla:
Cross-roads of 218 & 231 St., - 11693 Cairo
Tel: 25220600 - 25220698 - Fax: 25220699

76. Mokatam:
Cross roads of 9 and 10 St., El Hadba El Olya - 11585 Cairo
Tel: 25031800 - Fax: 25031819

77. Wadi Degla:
Wadi Degla Club - Zahraa El Maadi - 11693 Cairo
Tel: 25195136 - Fax: 25195168

78. Courniche El Maadi:
380, Gawhareh El-Maadi Tower, Cornish El-Nile, Maadi - 11728 Cairo
Tel: 25296400 - Fax: 25256571

Alexandria Branches:

79. Roushdy:
240, El Corniche St. - 21311 Alexandria
Tel: (03) 5225580 - Fax: (03) 5455715

80. Borg El Arab:
New Borg El Arab City - 22511 Alexandria
Tel: (03) 4591891 - Fax: (03) 4592558

81. Zizinia:
601, El Horeya St. - 21411 Alexandria
Tel: (03) 5749094 / (03) 5749095 - Fax: (03) 5749093

82. Kafr Abdou:
15, Mina St., Kafr Abdou - 21311 Alexandria
Tel: (03) 5419900 - Fax: (03) 5419999

83. Fawzy Mooaz:
35, Victor Amaaneiloul St., Semouha - 21615 Alexandria
Tel: (03) 4199000 - Fax: (03) 4195999

84. Semouha:
35, Victor Amaaneiloul St., Semouha - 21615 Alexandria
Tel: (03) 4199000 - Fax: (03) 4195999

85. Mostafa Kamel:
16, Ibrahim Sherif St. Mostafa Kamel - 21311 Alexandria
Tel: (03) 5419600 - Fax: (03) 5419699

86. Safwa
39, El Horria St.El Attarin - 21311 Alexandria
Tel: (03) 4966860 - Fax: (03) 4966909

87. Sultan Hussein:
47, Sultan Hussein St. - 21521 Alexandria
Tel: (03) 4883100 - Fax: (03) 4883199

88. Safia Zaghloul:
33, Safia Zaghloul St., 21519 Alexandria
Tel: (03) 4883000 - Fax: (03) 4883099

89. Glym:
539,BHorrya avenue, Glym - 21531 Alexandria
Tel: (03) 5815500 - Fax: (03) 5815599

90. Miami:
265, Gamal Abdel Nasser St., Miami - 21411 Alexandria
Tel: (03) 5381000 - Fax: (03) 5381099

91. Alexandria Entrance
Unit 11, fence of the International Garden, Alexandria Entrance - 21111 Alexandria
Tel: 03-3872000 - Fax: 03-3872099

92. Alex Port
Unit No. 746 Ground Floor / Investment Bldg /Alex Port - 21534 Alexandria
Tel: 03-5419982 - Fax: 03-5419986

93. Ibrahimeya

118, Port Said St. Ibrahimeya - 21321 Alexandria
Tel: 03-5980400 - Fax: 03-5980499

94. Loran
723, Horreya Road, Loran - 21111 Alexandria
Tel: (03) 5759016 - Fax: (03) 5759052

6th of October & 10th of Ramadan Branches:

95. 6th of October:
6th of October city - Banks' area-6th of October City - 12563 Giza
Tel: 38281600/02 - Fax: 38281649

96. Industrial Zone:
3, Banks Region - Industrial Zone 4 - 6th of October City - 12563 Giza
Tel: 38343802 - 38343803 - Fax: 38320816

97. Dandy Mall:
Kilo 28th, Alexandria - Cairo Desert Road - 14111
Tel: 35367200 - Fax: 35367299

98. 6th of October Residential Area
Unit # 7, Bldg # B, Block # 23/2, central axis , 12451 6th of October
Tel: 38274000 - Fax: 38274099

99. 10th of Ramadan:
Banks Area - 10th of Ramadan City - 44637 10th of Ramadan City
Tel: (015) 378325/6/9 - Fax: 015378327

Delta Branches:

100. Mohafza Square:
242, El Geish St., Midan El Mohafza, Mansoura - 35511 El Dakahleya
Tel: (050) 228 0000 - Fax: (050) 228 0099

101. Mansoura:
213, El Gomhoria St., Mansoura - 35511 Mansoura
Tel: (050) 2310262 - Fax: (050) 2315894

102. Tanta:
El Sawfa Plaza center tower - Tanta - 31511 El Gharbeyia
Tel: (040) 338 5600 - Fax: (040)338 5699

103. Delta City Mall:
42, El-Geish St., Delta City Mall - Tanta - 31111 Tanta
Tel: (040) 3385230/43 - Fax: (040) 3330525

104. Damietta:
67, Saad Zaghloul St. (Cornish El Nile) - 34111 Damietta
Tel:(057) 379917-379912 - Fax: (057) 379902

105. Mahalla:
22, El Tegara School St, (Shokry El Kawatly Previously), El Mahalla - 31911 Mahalla
Tel: (040) 2281000 - Fax: (040) 2281099

106. El Zagazig:
Saad Zaghloul St., El Bahr, Borg Abou Aisha - 44111 El Zagazig
Tel: (055) 2390000 - Fax: (055) 2390099

Suez Canal Branches:

107. Portsaid:
58 El Gomhourya St., Safwa class tower - Portsaid - 42511 Portsaid
Tel: (066) 3390100 - Fax: (066) 3390149

108. Ismailia:
Panorama El IsmailiaTower, Unit no.1, El Mawkaf El Gedid St., Corner El Eshreen St. & Shebeen El Koom St., Infront Of Courts Center - Ismailia City - 41111 Ismailia.
Tel: (064) 3391000 - Fax: (064) 3391099

109. Suez:
5, El Galaa St. - 43221 Suez
Tel: (062) 3393300 - Fax: (062) 3393399

Red Sea Branches:

110. Hurghada:
Esplenda Bay Mall, Resorts St., "Next to Sindbad Resort" - 84511 Hurghada
Tel: (065) 3447427 - Fax: (065) 3447425

111. Hurghada Sheraton Road:
36 El Gabi El Sharmaly St. - 84511 Hurghada
Tel: (065) 3446774 - Fax: (065) 3447425

112. El Dahar - Hurghada:
1 Hurghada Stadium shops, El Nasr St., El Dahar - 84111 Hurghada
Tel: (065) 3562000 - Fax: (065) 3562099

Sinai Branches:

113. Neama Center:
Neama Commercial Center - Neama Bay - 46619 Sharm El Sheikh
Tel: (069) 3601668 - Fax: (069) 3601668

114. Sharm El Sheikh:
Neama Bay Al Salam Road - Opposite Gafy Resort - 46619 Sharm El Sheikh
Tel: (069) 3622000 - Fax: (069) 3622099

115. Hadabet Um Sid
Commercial Unit No. (4) at the City for aquatic games, entertainment & restaurant and shops at Um Sid / Sharm El Sheikh - 46619 South Sinai
Tel: (069) 3622090 - Fax: (069) 3622095

116. Nabq Bay
Commercial Unit No. (R1) at the oriental resort, beside the main entrance to the hotel Nabq / Sharm El Sheikh - 46619 South Sinai
Tel: (069) 3622050 - Fax: (069) 3622055

Upper Egypt Branches:

117. Assiut:
2, El Gomhoureya St., Al Wataneya Towers - 7111 Assuit
Tel: (088) 2422500
Fax: (088) 2422599

Kallubeya Branches:

118. Banha Branch :
19, Ibn Kamar - Saad Zaghloul St, Banha City
Tel: 0133806200 - Fax: 0133806299

119. El Obour City Branch
Shops 34 & 35 outer fence of City Club El Obour City - 11828.
Tel: 46140300 - Fax: 46140399



NSGB Offsite ATM Network

Downtown

- Four Seasons - Nile Plaza:*
1089 Corniche El Nil - Garden City
- Novartis Co.:
- Sawah St.- Amiryia
- Maghrabi hospital:*
- El Sayeda Nafeesa Square - Cairo.
- Crystal Asfour (2 machines)*
- End of Ahmed Orabi Bridge - Shobra Elkheima
- Akhbar El Youm:*
- 11 Sahfa St.,- Downtown.
- Ministry of Information:*
- Maspiro - Kornishe Elnile
- Egypt Gas:*
- El warak - Kornishe Elnile
- Misr Petroleum Company:*
- El Tawfikeia Ahmed Orabi Sq. Down Town
- Ministry of Trade:
- Ministry of trade building - Garden City
- Ministry of Trade:
- Maahad Naser St. Shoubra El Kheima

Heliopolis and Nasr City

- Ministry of Labour:*
- Youssef Abbass st, nasr city
- Egyptian Airports Co.:*
- Building 4 Block 1 Sefarat District ,Nasr City
- Citystars:
- Citystars - Second Retail Level - food court.
- Petrogas:
- Tayran st - Nasr City
- Ministry of Electricity:
- Ramsis St. Extension, Abasseyia Square
- Ministry of Trade:*
- Ministry of Finance Building - Emtedad Ramsis St.
- Egypt Air (14 ATMs):*
- Cairo International Airport
- Momen Chain:
- First industrial zone, behind Souk El-Obour - Obour City
- Pack Line:
- First industrial zone, behind Souk El-Obour - Obour City
- MCV:
- Km 24 Cairo - Ismailia desert road
- Faculty of Women:
- Asmaa Fahmy St., - Almerghany

Haram & Giza

- Eastern Tobacco (3 machines):*
- 450 El Ahram St.-Giza
- Dary Mall:
- 330 El Haram Street - Giza
- Enjoy:
- Kombearah - Imbabah - Giza

Mohandessin & Zamalek

- Platinum Mall:
- Intersection of Shehab & Syria Streets

10th of Ramadan

- Kandil Industries Factory:
- Plot # 3/6 Industrial Area, Zone 2-10th of Ramadan City
- Oriental Weavers (3 machines)*
- Industrial Zone
- Halawany Brothers:
- Industrial area block B3
- Family Nutrition:
- Abderkawy St.-industrial zone A1
- ABB: *
- Industrial zone
- Eipico Co.:
- Industrial City - 10th of Ramadan
- MAC Co. (2 ATMs) *
- Industrial Zone B1 - 10th of Ramadan
- MAC Co. (1 ATM) *
- Industrial Zone B3 - 10th of Ramadan

Maadi

- Carrefour Cairo:
- Ring Road - Katanmya
- Ministry of Environment:*
- located at 30 Cairo - Helwan Agricultural Road
- Torah Cement Company:
- Misr - Helwan agricultural road

Alexandria

- Petrochemical Company:
- 36 Alexandria/ Cairo Desert Road-Amreya-Alexandria
- Mido (Borg El arab):
- 2nd industrial zone-borg alarab
- Alex Portland la farge:
- El max om zeghio - Alexandria
- Lord factory:
- Ard el sobheya.el nozha - alexandria
- Arab Academy* - Miami
- Arab Academy* - Abu Keir
- Nile linen:*
- Free zone alamreea
- National Paper Company:
- El Tabia - Abou Keir
- Alex Fertilizers: *
- Free Industrial Zone Alex
- Alexandria National Iron & Steel Company (ANSDK):*
- El Dekheila - Alagami
- Eastern Tobacco Co.:*
- 91 Suez Canal St.,- Moharram Baik.

6th of October

- Union Air Co.:
- Plot # 238-239-241 Industrial Zone Three - 6th October City
- Flora:
- 2nd industrial zone - 6th of October city
- Misr university:*
- Misr university for science & technology
- Universal:
- Industrial zone
- El Rasheedy Al Mezan
- Industrial Zone - 6th of October
- Mobica Company
- Abou Rawash

Sharm El Sheikh

- Old Market:
- Old market - Sharm elbalad
- C-Club Hotel:
- Nabq bay - Sharm El-Sheikh.
- Maritime Hotel:
- El Salam Road - Sharm elbalad

Hurghada

- Grand Azur Hotel:
- Hurghada
- Orascom El Gouna:
- Building 114, in front of telephone station - Downtown, El Gouna
- Beach El Batros Hotel:
- Hurghada - El mamsha El seyahy Road
- Stiegenberger El Daw Hotel:
- Hurghada - El mamsha El seyahy Road

Others

- Renaissance Cinema:
- El Geish Street - Suez
- El Ezz Steel Factory (Sadat City): *
- Ezz Steel Manufacturing Co. (main entrance)
- Egyptian Language School:
- Ring road - El-Tagamoa El-Khames - New Cairo City
- Misr Spinning & Weaving Co.:
- Mahala
- Takki Showroom:
- Hasballa Kafrawy St., New Damietta
- Ring-Connect:
- 3 Borg El Horeya# 4 Gomhoureya St., Assiout
- Semeramis Hotel:
- El Fath St. - El Fariq Fouad Zekry - El Areesh City
- Mercure Hotel Ismailia:
- Entrance of Mercure Hotel - beside suez canal authority
- Kapci:
- Industrial Zone Port Said
- MCV:
- NEW Salheya City

* For payroll clients only.



NSGB Board of Directors' Report on Bank's Activity & Financial Situation For The Financial Year Ending On 31/12/2007

The Board Of Directors has the pleasure to submit to the Ordinary General Assembly of the Bank's shareholders its report on the bank's activity during the fiscal year ending on 31 December 2007.

FIRST: BALANCE SHEET & INCOME STATEMENT

The Board Of Directors has adopted the bank's Balance Sheet as at 31st December 2007 and the statement of income in Egyptian Pound for the fiscal year ending on the same date. The bank's assets and liabilities in foreign currencies were evaluated in Egyptian Pound as per the exchange rates of foreign exchange on 31/12/2007.

Following are the most significant points of development in the **Balance Sheet and Income Statement items:**

* The total of balance sheet figure reached roughly EGP 47,277 millions at the end of December 2007 against approximately EGP 39,436 millions at the end of December 2006, with a growth rate of 20%.

* The total balances of customer's deposits came to EGP 39,299 millions at the end of December 2007 versus EGP 33,312 millions at the end of December 2006, involving an increase of 18%.

* The total balance of customers' credit facilities reached about EGP 19,756 millions at the end of December 2007 [after deduction of provision] against approximately EGP 15,636 millions at the end of December 2006, with an increase of 26 %.

* Gross profit coming to about EGP 791.96 millions at the end of 2007 versus nearly EGP 578.45 millions at the end of 2006, increasing at the rate of 37%. This high level of gross operating profit comes on the back of dynamic business development together with atight cost control and in-depth optimization of ex-MIBank organization.

* The net profit to about EGP 674 millions at the end of 2007 versus EGP 147 millions at the end of 2006, with a increase of 357%.

* The contra-account balances and commitments which reached EGP15,816 millions at the end of December 2007 against EGP 11,939 millions at the end of December 2006, increased by 32%.

On the other hand, contra-accounts scored 33% of the total balance sheet figure as at the end of 2007 against 30 % at the end of 2006.

SECOND: LOANS, INVESTMENTS & DEPOSITS

A. Loans & Advances Portfolio & Discount (After deduction of provision):

The balance of loans and advances portfolio, amounting to nearly EGP19,756 millions at the end of 2007 against EGP 15,636 millions at the end of 2006,has increased by 26%.

The accompanying note of the financial statements includes distribution of loans & advances portfolio (in EGP & Foreign Currencies) on different sectors of activity.

B. Financial Investment

The trading investments amounting EGP 241 million at the end of 2007 against EGP 323 million at the end of 2006. Investments Available for sale EGP 3,632 million at the end of 2007 against EGP 2000 million and Investments in affiliates EGP 39 million at the end of 2007 against 55 million at the end of 2006.

C. Customers Deposits:

The aggregate customers' deposit balances amounted to EGP 39,299 millions at the end of 2007 against EGP 33,312 millions at the end of 2006, showing a 18 % increase.

The accompanying note of the financial statements includes distribution of customer's deposits on different sectors of activity (in EGP & Foreign Currencies).

THIRD: FOREIGN TRADE FINANCE

The contra-accounts' balances resulting from L/Gs and L/Cs, totaled EGP 12,472 millions at the end of 2007 against EGP 10,458 millions at the end of 2006 with an increase of 32 %

FOURTH: INCREASE OF AUTHORIZED & PAID UP CAPITAL

During the second quarter of 2007 NSGB recorded a capital increase of 450.656 millions EGP, so that the paid up capital reached 2754 millions EGP.

FIFTH: THE NEW BRANCHES

During 2007, twenty one branches were opened of which eleven are located in Greater Cairo and four in Alexandria. Six branches were launched in Sharm, Zagazig, Ismailia, Assiut and Hurghada. Overall, the Bank's network in 2007 reached 117 branches distributed on the most important industrial, commercial and housing communities.

FINALLY, the board of directors would like to thank all the shareholders and clients for their trust and support and also the General Management and all the staff for their distinguished efforts during the year that have the most effective impact on the bank's good results.

Balance Sheet AS AT 31/12/2007

	Note No.	31/12/2007 EGP				31/12/2006 EGP				
ASSETS										
Cash and due from Central Bank of Egypt	(4)	3	315	680	373	2	945	720	124	
Due from Banks	(5)	13	537	468	331	8	812	204	195	
Treasury Bills & C.B.E. Certificate	(6)	3	945	977	310	6	710	289	601	
Trading Investments	(7)		241	144	840		323	034	067	
Investments available for sale	(8)	3	632	105	627	1	999	674	457	
Loans to customers & Banks (Net of provision)	(9),(10)	19	756	109	792	15	635	784	279	
Investments Held to maturity	(11)		413	170	478		449	376	711	
Investments in Affiliates	(12)		39	223	661		55	196	007	
Debit balances and other assets	(13)		556	880	871		423	511	196	
Deferred tax assets	(14)		77	639	906		106	921	736	
Fixed assets (Net)	(15)		676	055	312		526	317	189	
Goodwill	(29)	1	085	753	003	1	447	670	670	
TOTAL ASSETS		47	277	209	504	39	435	700	232	
LIABILITIES AND SHAREHOLDERS' EQUITY:										
LIABILITIES:										
Due to Banks	(16)	1	579	999	954		966	756	968	
Customers' deposits	(17)	39	299	391	473	33	311	605	690	
Credit balances and other liabilities	(18)	1	164	135	740		983	702	519	
Dividends payable					--		33	500	000	
Long term loan	(19)		58	845	740		38	796	245	
Other provisions	(20)		740	082	086		764	331	100	
Total liabilities. (1)		42	842	454	993	36	098	692	522	
Shareholders' equity:										
Paid - in capital		2	754	009	000	2	027	952	080	
Reserves			234	464	876		509	865	776	
Profit carried forward				69	854			69	854	
Total shareholder's equity	(21)	2	988	543	730	2	537	887	710	
Net profit for the year			674	180	781				--	
Subordinated loan	(22)		772	030	000		799	120	000	
Shareholders' equity & Net profit for the year & Subordinated loan (2)		4	434	754	511	3	337	007	710	
Total liabilities and shareholders' equity (1+2)		47	277	209	504	39	435	700	232	
Contingent Liabilities & commitments.	(23)		15	816	436	081	11	938	891	155

- The accompanying notes from 1 to 33 are an integral part of these financial statements.



Income Statement

for the financial period from 1/1/2007 to 31/12/2007

	Note No.	31/12/2007 EGP	31/12/2006 EGP
Return on loans and due from Banks	2	395 697 390	1 965 284 133
Return on Treasury Bills and Bonds		651 601 351	682 242 489
Less :			
Cost of deposits and borrowing		(1 834 358 174)	(1 681 726 463)
Net interest income		1 212 940 567	965 800 159
Add :			
Commissions and fees income		456 349 712	400 441 977
Dividends income		13 601 584	24 844 080
Gains (loss) on sale of investments		54 626 093	(11 980 165)
Gains from foreign currency transaction	(24)	15 695 973	35 821 548
Other investments valuation differences		9 687 699	(9 776 498)
Trading investments valuation differences		22 203 233	12 220 103
Other operations revenues		3 154 809	76 648 731
Net Operating income		1 788 259 670	1 494 019 935
Less :			
Commissions and fees on banking services		(8 893 230)	(13 806 782)
Provisions		(90 342 510)	(31 426 291)
General & administrative expenses & depreciation & amortization		(622 616 187)	(537 696 837)
Goodwill amortization		(361 917 668)	(361 917 668)
Expenses for Other operations		(2 869 007)	(2 145 539)
Activities profits		701 621 068	547 026 818
MIBank pension fund short		--	(497 851 511)
Income from non - operating activities		1 841 543	1 134 735
Profit before tax		703 462 611	50 310 042
Deferred Tax		(29 281 830)	97 614 258
Net profit for the period		674 180 781	147 924 300

- The accompanying notes from 1 to 33 are an integral part of these financial statements.

Statement of Change in Shareholder's Equity

for the financial period from 1/1/2007 to 31/12/2007



	Capital EGP	Legal Reserve EGP	General Reserve EGP	Special Reserve EGP	Other Reserve EGP	Retained Earnings EGP	Net Profit of the year EGP	Total EGP
Balance at 01/01/2006	660 000 000	96 573 399	470 383 414	7 333 408	2 544 605	176 504	--	1 237 011 330
- Years's net profit	--	--	--	--	--	--	147 924 300	147 924 300
- Capital increase	1 155 000 000	--	--	--	--	--	--	1 155 000 000
- Transferred from reserves	181 500 000	--	(181 500 000)	--	--	--	--	--
- Paid in Capital Increase from Mibank Absorption.	31 452 080	--	--	--	--	--	--	31 452 080
- Distributed shares	--	--	--	--	--	--	(33 500 000)	(33 500 000)
- Transferred to reserves	--	7 396 215	106 000 000	--	1 134 735	(106 650)	(114 424 300)	--
Balance at 31/12/2006	2 027 952 080	103 969 614	394 883 414	7 333 408	3 679 340	69 854	--	2 537 887 710
- Balance at 01/01/2007	2 027 952 080	103 969 614	394 883 414	7 333 408	3 679 340	69 854	--	2 537 887 710
- year's net profit	--	--	--	--	--	--	674 180 781	674 180 781
- Transferred from Reserves	275 400 900	--	(275 400 900)	--	--	--	--	--
- Paid in Capital Increase	450 656 020	--	--	--	--	--	--	450 656 020
Balance at 31/12/2007	2 754 009 000	103 969 614	119 482 514	7 333 408	3 679 340	69 854	674 180 781	3 662 724 511

- The accompanying notes from 1 to 33 are an integral part of these financial statements.

The Cash Flow Statement

on the financial period from 1/1/2007 to 31/12/2007

	31/12/2007 EGP	31/12/2006 EGP
Cash flows from operational activities		
Profit before taxes	703 462 611	50 310 042
Amendments to settle the profits as against the cash flows from operational activities		
Depreciation	92 265 847	23 763 174
Goodwill amortization	361 917 667	361 917 668
Forming Provisions	90 342 510	31 426 291
Loans' Provision utilization	(53 424 115)	(13 784 024)
Valuation difference of trading investments	22 203 233	(12 220 103)
Valuation difference of investments available for sale	9 687 699	9 776 498
Provisions utilization except the loans provision.	(26 930 235)	(231 259)
Differences in revaluation of provisions in foreign currencies except the loans provision. (+/-).	(1 044 415)	(15 297)
Gains on sale of Fixed Assets	(1 841 543)	(1 134 735)
Operating profits prior changes in assets and liabilities utilized in operational activities	1 196 639 259	449 808 255
Net decrease (increase) in assets		
Deposits with Banks & CBE	(3 714 405 394)	(4 420 505 817)
Treasury Bills	(1 311 245 667)	(988 202 258)
Trading investments	59 685 994	(292 943 078)
Investments available for sale	(1 642 118 869)	(1 768 419 639)
Loans to customers & Banks	(4 154 190 011)	(8 713 529 658)
Debit balances and other assets	(133 369 675)	(286 351 357)
Net increase (decrease) in liabilities		
Due to banks	613 242 986	(617 833 716)
Customers' deposits.	5 987 785 783	20 207 237 663
Credit balances and other liabilities.	181 104 960	1 020 035 224
Net cash flows resulting from operational activities (1)	(2 916 870 634)	4 589 295 619
Cash flows from investment activities		
Purchases of investments held for maturity	36 206 233	(57 934 341)
Proceeds from sale of investments in affiliates	15 972 346	(31 308 507)
Purchases of fixed assets	(242 003 970)	(92 221 492)
Proceeds from sale of securities held for investments	1 841 543	1 134 735
Net cash flows (used in) the resulting from investment activities (2)	(187 983 848)	(180 329 605)
Cash flows from financing activities		
Increase (decrease) in bonds.	450 656 020	1 186 452 080
Maturity of Bank's Bonds	(27 090 000)	799 120 000
Distribution of paid up profits	(33 500 000)	(85 600 000)
Net cash flows used in financing activities (3)	390 066 020	1 899 972 080
Net increase in cash and cash equivalent during the period (1+2+3)	(2 714 788 462)	6 308 938 094
Cash and cash equivalent at the beginning of the period	8 410 060 215	2 101 122 121
Cash and cash equivalent at the end of the period	5 695 271 753	8 410 060 215
Cash and cash equivalent at end of period are represented in:		
Cash and due from CBE	3 315 680 373	2 945 720 124
Due from Banks	13 537 468 331	8 812 204 195
Treasury Bills	3 945 977 310	2 911 081 643
Other Governmental notes subject to discount for CBE	--	3 799 207 958
Time deposits due from Banks	(11 505 551 951)	(7 771 097 062)
T/Bs more than 3 months maturity	(3 598 302 310)	(2 287 056 643)
Cash and cash equivalent at end of the period	5 695 271 753	8 410 060 215

Statement of The Profits Distribution

for the financial year ending 31/12/2007



	31/12/2007 EGP	31/12/2006 EGP
Net year's profits (from income statements)	674 180 781	147 924 300
Less :		
Sale profits of fixed assets transferred to capital reserve according to the provisions of the law	(1 841 543)	(1 134 735)
Distributable year's net profits	672 339 238	146 789 565
Profits brought - forward	69 854	176 504
Total	672 409 092	146 966 069
To be distribute as follows		
Statutory reserve (5%)	33 620 455	7 396 215
General reserves	508 000 000	106 000 000
Dividends	68 850 225	--
Staff share	60 000 000	32 000 000
Board remuneration	1 500 000	1 500 000
Profit carried forward	438 412	69 854
Total	672 409 092	146 966 069

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

1- ACTIVITY:

National Société Générale Bank (A Joint Stock Co.) was established as an Investment & Business bank on April 13, 1978.

In accordance with the provisions of Investment law no 43 of the year 1974 and its Executive Regulations and the amendments thereon, the bank provides all banking services related to its activity, through its Head Office located in Cairo together with one hundred and seventeen branches.

According to the approval of the Extra Ordinary General Assemblies of National Société Générale bank and Misr International bank on September 4, 2006, Central Bank of Egypt on October 18, 2006 and GAFI decision 2/1765 of 2006, National Société Générale Bank absorbed Misr International Bank on 30/11/2006.

2- The Most important Accounting Policies Applied:

(A) Basis of Preparing Financial Statements:

Financial statements are prepared pursuant to Egyptian accounting standards which are consistent with international accounting standards and applicable local laws & instructions.

(B) Foreign Currencies Transactions:

The bank accounts are kept in Egyptian pounds. Transactions in other currencies are translated, during the financial period, on the basis of the rate of exchange, in force on the date of transactions.

The balances of assets and liabilities of monetary nature in other currencies are revaluated at the end of the financial period, on the basis of exchange rates in force on that date.

The resulting differences are recorded into income statement under the item "Profits / (losses) of foreign currency transactions."

The balances of forward exchange contracts existing at the end of the financial period are valued at their fair value at that date; by using of the forward rates remaining periods up to the dates of maturity of those contracts and valuation differences are charged to the income statement under the item Profit (loss) of Foreign Exchange Transactions.

Currencies barter contracts are recorded on the date of commitment under the item of "contingent liabilities and commitments"; together with recording the difference between the equivalent of the two sections of barter contract under the item of "debit balances & other assets"; "credit balances & other liabilities". on the ground of considering it as profits/losses not achieved on the date of the barter contract commitment; The balances referred to are amortized over the life span of barter contract, through addition to or deducting from the item of "yield on loans and balances kept with banks" in income statement, while the profits (losses) resulting from barter contract are recorded into income statement under the item of "profits (losses) of foreign currency transactions."

The value of the premium paid concerning foreign currencies option contracts are recorded under "debit balances and other assets"; provided, however; that the premium balance be adjusted into income statement, in light of what shall emerge upon valuation option contracts, at their fair value under the item of "profits/losses of foreign currency transactions."

As for option contracts purchased to cover option contracts sold to clients for the purpose of covering the risks related to the nature of their activity, the difference between the settled premium of option contract purchased and the premium collected

in respect of the option contract sold, on the date of concluding the contract shall be recorded under the item of "credit balances & other liabilities".

Plus adjusting this difference in income statement, under the item of foreign currency transactions profits (losses) pursuant to the basis of maturity.

(C) VERIFICATION OF REVENUES:

Revenue is recorded on the basis of maturity, with the exception of yields of irregular loans; the recording of which as revenue is to be suspended upon failure to be sure of redeeming the value of these yields or of the original debt.

The revenues of shares and investment instruments are to be recorded upon announcement of dividends relating thereto.

(D) TREASURY BILLS:

Treasury bills are recorded at nominal value, and discount of issuance is recorded under "credit balances and other liabilities". As to treasury bills, they appear on the balance sheet net of issuance discount.

(E) TRANSACTIONS OF SELLING (PURCHASING) TREASURY BILLS TOGETHER WITH COMMITMENT FOR REPURCHASE (RESALE) THERE OF:

Transactions of selling (purchasing) treasury bills, together with the commitment for their repurchase (resale) are recorded in the balance sheet and the cost/yield relating thereto is recorded into income statement, under the two items "costs of deposits and borrowing" and "yield of loans & balances with banks" (as the case may be).

(F) VALUATING TRADING INVESTMENTS:

Trading investments including financial investments portfolios run by a third party, together with mutual funds instruments that are not issued by banks and insurance companies, and held for trading purpose are valued by the end of the financial period at fair value representing market value. Differences of such valuation are recorded into income statement.

Trading investments that lack one of the conditions of their classification as trading securities are valued at their book value; however such value is reduced in case of a decline there in as evidenced by a substantive study based on the latest financial statements of the issuing Co. The differences of such valuation are recorded in income statement.

Mutual funds certificates issued by banks and insurance companies; are valued at fair value; which represent their redemption value on the date of valuation, this differences are charged income statement.

(G) VALUATION OF FINANCIAL INVESTMENTS AVAILABLE FOR SALE:

Financial investments available for sale are valued at cost (taking into consideration the difference in the exchange rates of foreign currencies) or at fair value whichever is less for each investment separately.

Valuation differences of the current year are charged to income statement under the item of "valuation differences of other financial investments" and the differences of previous years will be credited to "Special Reserve" in Equity.

The Special reserve created for this specific investment is used in case of decrease in the investment value and the remaining is charged to the Income Statement. In case of selling the investment, its quota in the Special Reserve is credited to the Income Statement.



Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

(H) VALUATING FINANCIAL INVESTMENTS KEPT UP TO MATURITY DATE:

Bonds purchased upon initial issue, are evaluated at adjusted cost which represents the nominal value, plus issuing premium; or less issuing discount as the case may be. Amortization of issuing premium/discount is to be depreciated by means of annual allowance; such depreciation is recorded under the item of "treasury bills yield; and bonds" in income statement.

The same valuation method is adopted in respect of bonds purchased from Stock Exchange, at a value over or less than nominal value, together with reducing cost by the value of yield over the period prior to purchasing date. Should there occur a decline in fair value compared to book value of each bond, such book value is adjusted. The book value of a debenture in foreign currency is adjusted, via the result of valuation pursuant to the exchange rate applicable on the date of valuation. Valuation differences are recorded into income statement, under the item of profits (losses) of foreign exchange transactions.

Investment instruments required to be kept with the bank, up to the date of the fund expiration are valued at cost on the ground that the bank is the originator of such Fund. However in case of decline in these instruments redemption value compared to their cost, the difference should be charged on income statement under the item "valuation differences of other financial investments", while; should a rise occur, it is to be added to the same item; within the limits of what has been previously charged on income statements, in previous financial periods.

(I) FINANCIAL INVESTMENTS IN AFFILIATE COMPANIES OF JOINT INTEREST:

Financial investments in affiliate companies, having joint interest, are valued at cost; however, should a decline occur to their fair value, compared to their book value, the latter value shall be amended in respect of each investment separately, and then the difference is charged on income statement under the item "of differences relating to valuation of other financial investments"; and should a rise occur to their fair value, such rise is added to the same item within the limits of what has been previously charged on income statements over previous financial periods.

(J) VALUATION OF ASSETS, DEVOLVING TO THE BANK, IN SETTLEMENT OF SOME CLIENTS DEBTS:

Assets, devolving to the bank, are recorded into the balance sheet under the item of "debit balances & other assets" at the value pursuant to which their ownership devolved to the bank. However should a decline occur to the fair value of these assets, compared to the value upon which they devolved to the bank, at the date of the balance sheet, differences are charged on income statement. And should there occur a rise in fair value, such rise is added to income statement; within the limits of what has been previously charged to income statements, over previous financial periods.

(K) LOANS & CONTINGENT LIABILITIES PROVISION:

Provision is created to loans and contingent liabilities, per se, in addition to a percentage for general risks to be computed out of the total of loans and other contingent liabilities, less balances covered by deposits and bank guarantees issued from solvable foreign banks, in the light of the management experience and the periodical elaborate studies of loans and contingent liabilities balances.

In case the procedures carried out for their collection are hopeless Loans are to be written off, by debiting the provision – to which is added the proceeds of loans, previously written off.

(L) CONTINGENT LIABILITIES & COMMITMENTS:

Contingent liabilities in which the bank is a party, in addition to the commitments related to forward exchange contracts, currency exchange and yield rate contracts etc are registered off the balance sheet, under the item "Contingent liabilities & commitments"; on the ground that they do not represent actual assets or liabilities, on the date of the balance sheet.

(M) CASH & CASH EQUIVALENT:

For the purposes of preparing cash flows statement, the item of cash and "cash equivalent" includes cash balances, balances with the Central Bank of Egypt, current accounts balances with banks; and treasury bills balances maturing three months from the date of acquisition.

(N) DEPRECIATION & AMORTIZATION:

Fixed assets are depreciated by means of fixed installments method, using appropriate depreciation rates which are determined based on the estimated life for each type of productive assets; as follows:

Buildings & establishments	3.33% - 5%
Means of transport	20%
Furniture	20% - 5%
Integrated automatic systems	20% - 10%
Appliances & equipments	20%
Installations	10%

Improvements and renovations expenses of the bank leased branches, are amortized over the estimated productive life, or lease period whichever is shorter. Goodwill are amortized on five years according to CBE instruction.

(O) TAXES :

Taxes falling due on the bank are computed pursuant to the laws, regulations and instructions in force, whether in Egypt or in the countries where the bank has branches.

A tax provision is made to meet tax obligations based on detailed studies of tax claims.

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

3- FINANCIAL INSTRUMENTS & MANAGEMENT OF RELATED RISKS:

(1/3) Financial Instruments:

A- The bank financial instruments are represented in financial assets and liabilities. As to financial assets, they include cash balances; current accounts; deposits with banks; financial investments and loans to clients and banks. As to financial liabilities they include: clients deposits; banks dues. Likewise financial instruments include: the rights and undertakings recorded under the item "Contingent liabilities and commitments. The item no (2) of the supplementary notes to financial statements includes the accounting policies adopted relating to the bases for the verification & measurement of the most important financial instruments and the revenues & expenses associated therewith.

B- The Fair Value Of Financial Instruments:

pursuant to the bases of valuation adopted in valuating the bank assets and liabilities, set forth in the supplementary notes to the financial statements, the fair value of financial instruments do not differ crucially from their book value, on the date of the balance sheet. As for financial investments, except for trading investments; the items no (8, 11, 12) of the supplementary notes to financial statements, indicates the fair values thereof, on the date of the balance sheet.

C- Forward Contracts:

pursuant to the instructions of the Central Bank of Egypt, the bank does not enter into "forward" contracts, except to the extent required for covering its requirements from foreign currencies or the requirements of its clients for meeting their obligations in foreign currencies resulting from their transactions made through the bank. Such dealings are "characterized" as short-term transactions.

(2/3) Management Of Risks Related to Financial Instruments:

A- Interest Rate Risk:

The value of some financial instruments would be exposed to fluctuations, resulting from alteration of interest rates; hence the bank would carry out some measures aiming at reducing the effects of this risk down to the minimum limit:

Linking the YIELD on borrowing to the rate of YIELD on lending.

Seeking guidance of various currencies discount rates, upon determining income rates.

Managing the conformity between assets and financial liabilities dates of maturity with income associated therewith.

Item no (24), of the supplementary notes to financial statements, sets forth an average of interest rates, applicable during the period on those assets and financial liabilities.

B- Credit risk:

loans to clients & banks and financial investments, in the form of bonds and likewise the balances of current accounts and deposits with banks as well as rights and undertakings from third parties, are regarded as financial assets exposed to credit risk represented in the incapability of those parties to effect payment wholly or partly of their falling dues on dates of maturity. The bank adopts several measures conducing to reducing such credit risk down to the minimum limit:

Preparing credit studies concerning clients and banks, prior to dealing therewith, as well as determining the rates of credit risk associated therewith.

Obtaining the appropriate guarantees that would reduce the volume of risks resulting, should such clients or banks, default.

Follow – up and periodical study of clients and banks with a view to assess their financial and credit standings and estimate the provision required for irregular balances. Distributing loans portfolio and balances with bank onto different sectors to avoid the concentration of risks. Supplementary note no (26), sets forth the distribution of loans portfolio onto different sectors.

(3/3) The risk of foreign currencies exchange rate fluctuation:

In view of the fact that the bank deals with several foreign currencies pursuant to the nature of its activity, hence it may be exposed to the risk of fluctuations in foreign currencies rates of exchange.

And for the purpose of reducing such risk to the minimum limit; hence, the bank would observe a sort of equilibrium in foreign currencies positions – in accordance with the instructions of the Central Bank of Egypt, in this respect. Item no (27) of the supplementary notes to financial statements sets forth the most important positions of currencies existing at the date of the balance sheet.

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

	31/12/2007 EGP	31/12/2006 EGP
4- Cash and due from Central Bank of Egypt		
Cash in Hand	1 106 763 815	922 399 933
Due from CBE (reserve percentage)	2 208 916 558	2 023 320 191
	3 315 680 373	2 945 720 124

	31/12/2007 EGP	31/12/2006 EGP
5- Due from Banks		
(A) Central Bank of Egypt		
Deposits	5 060 621 949	1 318 048 864
	5 060 621 949	1 318 048 864

	31/12/2007 EGP	31/12/2006 EGP
(B) Local Banks		
Current Accounts	170 795 395	193 766 843
Deposits	242 638 000	296 816 000
	413 433 395	490 582 843

	31/12/2007 EGP	31/12/2006 EGP
(C) Foreign Banks		
Current Accounts	1 861 120 985	847 340 290
Deposits	6 202 292 002	6 156 232 198
	8 063 412 987	7 003 572 488
Total Due from Banks	13 537 468 331	8 812 204 195

	31/12/2007 EGP	31/12/2006 EGP
6- Treasury Bills & CBE Certificate		
A- Treasury Bills		
T/Bs 91 days maturity	347 675 000	624 025 000
T/Bs 182 days maturity	1 447 225 000	1 095 050 000
T/Bs 364 days maturity	2 286 050 000	1 289 050 000
	4 080 950 000	3 008 125 000
Less: Unearned interest	(134 972 690)	(97 043 357)
Net	3 945 977 310	2 911 081 643

	31/12/2007 EGP	31/12/2006 EGP
B- CBE Certificate		
CBE Certificate maturity during one month.	--	1 471 000 000
CBE Certificate maturity during two months.	--	496 000 000
CBE Certificate maturity during three months.	--	50 000 000
CBE Certificate maturity during four months.	--	473 000 000
CBE Certificate maturity during five months.	--	100 000 000
CBE Certificate maturity during six months.	--	365 000 000
CBE Certificate maturity during seven months.	--	426 000 000
CBE Certificate maturity during nine months.	--	517 000 000
Total	--	3 898 000 000
Less: Unearned interest	0	(98 792 042)
Net	--	3 799 207 958
Total	3 945 977 310	6 710 289 601

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

	31/12/2007 EGP	31/12/2006 EGP
7- Trading Investment		
NBE Mutual Fund No.2	2 037 600	1 720 000
Bonds	132 183 075	150 318 598
Investment funds	--	8 944 592
Fainancial Investment Portfolio managed by others	106 924 165	162 050 877
	241 144 840	323 034 067

	31/12/2007 EGP	31/12/2006 EGP
Trading Investment are presented in:		
Investments listed in the Stock market	56 084 563	69 984 206
Investments not listed in the Stock market	185 060 277	253 049 861
	241 144 840	323 034 067

	31/12/2007 EGP	31/12/2006 EGP
8- Investment available for sale		
(A) Investment in shares		
Company's shares	129 668 430	230 990 604
Bank's shares	249 047 143	230 462 599
(B) Investment in bonds		
Government bonds	1 600 099 510	606 832 881
Company's bonds	--	5 000 000
U.S.A TREASURY BOUNDS	1 211 941 513	871 584 086
(C) Investment in Money Market fund		
NSGB Money Market Fund (Themar)	441 349 031	54 804 287
	3 632 105 627	1 999 674 457

	31/12/2007 EGP	31/12/2006 EGP
Investments available for sale are presented in :		
- Investments listed in the Stock market	1 671 035 520	791 630 933
- Investments not listed in the Stock market	1 961 070 107	1 208 043 524
	3 632 105 627	1 999 674 457

The market value for the Investments available for sale that are listed in the stock market is 1.796.841.721 EGP on 31/12/2007 vs 822.993.545 EGP on 31/12/2006

	31/12/2007 EGP	31/12/2006 EGP
9- Loans to customers & Banks (Net after provision)		
Discounted commercial papers	418 521 469	331 218 307
Loans to customers	21 752 174 668	17 591 539 610
Loans to banks	--	131 284 000
	22 170 696 137	18 054 041 917
Less:		
Loans provision	(2 072 975 291)	(2 036 014 511)
Reserved Interst	(341 611 054)	(382 243 127)
	19 756 109 792	15 635 784 279

Supplementary Notes To The Financial Statements For The Financial Period Ending 31/12/2007

10- Loans' Provision

	31/12/2007		
	Specific EGP	General EGP	Total EGP
Provision at beginning of the year	1 861 060 026	174 954 485	2 036 014 511
Forming & Collections during the year	--	74 023 235	74 023 235
Transfers	*12 106 574	*19 417 195	31 523 769
Collections from loans previously written-off	9 894 927	2 395 000	12 289 927
Foreign currencies revaluation differences	(6 873 549)	(2 320 096)	(9 193 645)
	1 857 929 587	268 469 819	2 126 399 406
Used during the year	(53 363 638)	(60 477)	(53 424 115)
Provision at the end of the year	1 804 565 949	268 409 342	2 072 975 291

* An amount 29 721 330 EGP transferred from General Provisions Contingent liabilities and an amount 1 802 439 EGP transferred from Specific Provision Contingent liabilities to the following: An amount 19 417 195 EGP to Loans' General Provision and an amount 12 106 574 EGP to loans' Specific Provisions.

	31/12/2006		
	Specific EGP	General EGP	Total EGP
Provision at beginning of the year	166 394 206	207 163 874	373 558 080
Forming during the year	277 522 387	--	277 522 387
Provisions transferred from Mibank at 1/1/2006	1 414 120 122	91 494 984	1 505 615 106
Collections from previous year provisions	(9 897 347)	--	(9 897 347)
Transfers	*14 551 535	*(65 460 476)	(50 908 941)
Collections from loans previously written-off	264 843	--	264 843
Foreign currencies revaluation differences	(199 130)	(243 897)	(443 027)
	1 862 756 616	232 954 485	2 095 711 101
Used during the year	(1 696 590)	--	(1 696 590)
Reversal of excess provision	--	(58 000 000)	(58 000 000)
Provision at the end of the year	1 861 060 026	174 954 485	2 036 014 511

* An amount of 65 460 476 EGP was transferred from the General Provision. 32 734 412 transferred to Off Balance Sheet General Provision, 18 174 529 transferred to Off Balance Sheet Specific Provision, 14 551 535 transferred to Specific Provision.

11- Investments held to maturity

	31/12/2007 EGP	31/12/2006 EGP
Governmental Bonds mature in May 2007	0	34 262 000
Governmental Bonds mature in December 2008	187 923 031	189 438 692
Governmental Bonds mature in August 2009	23 020 487	23 035 022
Governmental Bonds mature in October 2011	77 185 695	77 590 944
Governmental Bonds mature in September 2012	70 041 265	70 050 053
Governmental Bonds mature in November 2014	50 000 000	50 000 000
NSGB Money Market Fund (Themar)	5 000 000	5 000 000
	413 170 478	449 376 711

Supplementary Notes To The Financial Statements For The Financial Period Ending 31/12/2007

All Investments held to maturity are listed in the stock market except NSGB Money Market Fund. The market value for the Investments held to maturity that are listed in the stock market is 424.777.886 EGP on 31/12/2007 vs. 447.104.769 EGP on 31/12/2006.

NSGB has set up an investment fund named NSGB Investment Fund with daily accumulated interest

(Themar) as one of the banking activities authorized for the bank according to the law of the Capital Market Stock number 95 for the year 1992.

The first issue of Investment fund (THEMAR) was one Million Securities units amounting to 100 Million. 50 000 securities units were subscribed by NSGB, for an amount of 5 Million EGP. EFG HERMES is Managing this investment fund.

12- Investments in affiliates

	31/12/2007 EGP		31/12/2006 EGP	
	Amount	Percentage of sharing %	Amount	Percentage of sharing %
Investment in Associated Co's				
Sogelease Egypt company	28 000 000	40%	16 000 000	40%
SGAM company	--	--	195 000	--
NSGB Life Insurance company	7 500 000	25%	7 500 000	25%
ALD AUTOMOTIVE	1 376 410	25%	1 376 410	25%
SERVENIL	500 000	25.00%	--	--
Egycap for Investment	--	--	28 168 483	--
Senouhi Company for Construction Materials	1 847 250	20.00%	1 847 249	20.00%
Alexandria Co.for Commerce & Development	--	--	108 864	60.00%
Delta Bakeries Co. (Written-off) (Debt/Equity)	1	0.00%	1	0.00%
	39 223 661		55 196 007	

The market value for the investment in affiliates that are listed in the stock market is Zero EGP on 31/12/2007 vs 34 021 214 EGP on 31/12/2006.
** Societe Generale Paris Participation in SGAM Company is 95% and NSGB Participation balance is transferred to other debit accounts as SGAM is under liquidation.

13- Debit balances and other assets

	31/12/2007 EGP	31/12/2006 EGP
Accrued revenues	277 648 847	105 595 677
Down payments for purchase fixed assets	96 691 918	108 511 147
Assets reverted to the Bank in settlement of debts	18 122 073	22 778 063
Balances due on buyer of assets reverted to the bank	48 502 645	39 994 202
deposits & custody	2 467 295	582 605
Cash in transit	19 542 500	42 032 760
Expenses paid in advance	50 070 204	36 413 498
Sundry debit balances	43 835 389	67 603 244
	556 880 871	423 511 196

Supplementary Notes To The Financial Statements For The Financial Period Ending 31/12/2007

14- Deferred tax assets	Assets	Assets
	(Liabilities)	(Liabilities)
	31/12/2007	31/12/2006
Deferred taxes		
Fixed Assets (Depreciation)	(7 449 378)	(5 002 869)
Goodwill (amortization)	62 713 866	31 356 933
Other provision (except Loans , Tax possible claim and off-balance sheet provision)	10 709 135	9 288 104
Losses carried forward	13 363 830	66 278 340
Other items	(1 697 547)	5 001 228
Total deferred tax Assets	77 639 906	106 921 736

15- Fixed Assets (net after deduction of accumulated depreciation)

	Lands	Building &	Integrated	Transportations	Furniture & saves	Equipments	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost at 01/01/2007	29 825 700	416 050 438	148 000 993	4 522 604	104 442 185	37 116 923	739 958 843
Purchases during the year	--	34 529 324	155 830 198	--	10 982 752	40 301 696	241 643 970
Reversals during the year	--	10 532 644	5 308 402	358 288	9 211 187	9 883 969	35 294 490
Transfers	--	61 831 999	(20 134 035)	--	(61 831 999)	20 134 035	--
Cost at 31/12/2007 (1)	29 825 700	501 879 117	278 388 754	4 164 316	44 381 751	87 668 685	946 308 323
Accumulated Depreciation at 01/01/2007	--	92 657 499	71 178 117	2 685 918	29 067 120	18 053 000	213 641 654
Depreciation of the year	--	44 454 930	25 852 764	857 127	11 134 964	9 966 062	92 265 847
Depreciation of the reversals	--	10 892 644	5 308 402	358 288	9 211 187	9 883 969	35 654 490
Transfers	--	9 246 361	(7 212 698)	--	(9 246 361)	7 212 698	--
Accumulated Depreciation at 31/12/2007 (2)	--	135 466 146	84 509 781	3 184 757	21 744 536	25 347 791	270 253 011
Assets (net) at 31/12/2007 (1-2)	29 825 700	366 412 971	193 878 973	979 559	22 637 215	62 320 894	676 055 312
Assets (net) at 31/12/2006	29 825 700	323 392 939	76 822 876	1 836 686	75 375 065	19 063 923	526 317 189

Fixed Assets (after depreciation) include the sum of LE 23 495 470 which stands for assets that are not registered by the name of the bank until now and the legal procedures for registering these assets are under way.

Supplementary Notes To The Financial Statements For The Financial Period Ending 31/12/2007

16- Due To Banks	31/12/2007	31/12/2006
	EGP	EGP
(A) CBE		
Current Accounts	313 107 068	392 028 000
Loans for financing domestic goods	--	33 599 000
	313 107 068	425 627 000
(B) Local Banks		
Current Accounts	10 768 067	3 347 818
Deposits	620 739 885	338 836 160
	631 507 952	342 183 978
(C) Foreign Banks		
Current Accounts	508 064 684	164 376 048
Deposits	127 320 250	34 569 942
	635 384 934	198 945 990
Total	1 579 999 954	966 756 968

17- Customers' Deposits

	31/12/2007	31/12/2006
	EGP	EGP
Demand deposits	8 790 372 527	7 166 245 461
Time deposits & call accounts	21 375 839 604	16 404 586 754
Term saving Certificates	4 643 579 000	5 459 524 000
Savings deposits	2 858 603 442	2 740 525 449
Other deposits	1 630 996 900	1 540 724 026
	39 299 391 473	33 311 605 690

18- Credit balances and other liabilities

	31/12/2007	31/12/2006
	EGP	EGP
Accrued interest	809 117 774	690 166 932
Deferred revenue	75 940 760	43 672 200
Accrued expenses	69 278 528	36 512 064
Sundry credit balances'	209 798 678	213 351 323
	1 164 135 740	983 702 519

19- Long term loan

	Interest Rate	Matured date	Amounts Matured during the next year	Balance as at 31/12/2007	Balance as at 31/12/2006
Central Bank of Egypt Loan	10 - 7.5 %	2008-2012	6 065 380	53 411 945	32 284 738
European Union Loan	4.5 %	2013	1 250 000	3125000	4 375 000
European Investment Bank Loan	--	--	0	2 308 795	2 136 507
Total			7 315 380	58 845 740	38 796 245

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

20- *Other Provisions

Data	31/12/2007						
	Balance at the beginning of the year	Formed During the year	Transfers	Foreign Currencies Revaluation Differences	Amounts Used During the year	Balance at the end of the year	
Provision of Tax Probable Claims	538 645 804	10 000 000	671 739	0	(25 080 375)	524 237 168	
Provision of legal Probable Claims	41 747 441		--	(267 779)	--	41 479 662	
Contingent liabilities-Specific Provision	73 661 900	4431325	(1 802 439)	(373 403)	--	75 917 383	
Contingent liabilities-General Provision	105 589 561	10 885 253	(29 721 330)	(349 836)	(21 789)	86 381 859	
Provisions for other post Employ benefits	2 881 419	4 966 002	0	--	--	7 847 421	
Other Provisions	1 804 975	4 295 086	0	(53 397)	(1 828 071)	4 218 593	
Total	764 331 100	34 577 666	0	(30 852 030)	(1 044 415)	(26 930 235)	740 082 086

* An amount of 29 721 330 EGP was transferred from off Balance Sheet General Provision and amount 1 802 439 EGP from Off Balance Sheet Specific Provision to Specific Provision of Loans as 19 417 195 EGP to General Provision of Loans and 12 106 574 EGP to Specific Provision of Loans.

* An amount of 671.739 was transferred from other credit account (Movable tax) to provision of tax probable claims.

Data	31/12/2006							
	Balance at the beginning of the year	Transfers from MIB provisions	Formed During the year	Returned During the year	Transfers	Foreign Currencies Revaluation Differences	Amounts Used During the year	Balance at the end of the year
Provision of Tax Probable Claims	235 877 063	300 000 000	3 000 000	--	0	0	(231 259)	538 645 804
Provision of legal Probable Claims	1 397 480	32 354 041	8 004 169	--	--	(8 249)	--	41 747 441
Contingent liabilities-Specific Provision	14 948 220	39 679 785	1 919 770	(1 054 530)	18 174 529	(5 874)	--	73 661 900
Contingent liabilities-General Provision	30 000 000	42 890 158	--	* 32 734 412	(35 009)	--	--	105 589 561
Provisions for other post Employ benefits	9 987 382	--	--	(7 105 963)	--	--	--	2 881 419
Other Provisions	2 146 985	--	--	(340 373)	--	(1 637)	--	1 804 975
Total	294 357 130	414 923 984	12 923 939	(8 500 866)	50 908 941	(50 769)	(231 259)	764 331 100

* An amount of 50 908 941 EGP was transferred from the General Provision of Loans as 32 734 412 EGP to off Balance Sheet General Provision and 18 174 529 EGP to off Balance Sheet Specific Provision.

21- Shareholder's Equity

A- Authorized Capital

The authorized capital amounts to LE 5000 million.

B- Issued and Paid in Capital

The issued & subscribed capital is EGP 2 754.009 million, representing 275,400,900 shares with a nominal value of EGP 10 each, of which 150 077 900 shares were paid in Egyptian Pound and 125 323 000 shares were paid in foreign currency. The value of shares has been paid in foreign currencies according to the exchange rates prevailing on the payment date.

C- Reserves

According to the Bank's Statute a sum equal to 5% of the year's net profit is retained to form the legal reserve, which will be ceased when its balance amounts to 50% of the issued capital.

22- Subordinated loan

The amount of the subordinated loan is 140.000.000 \$ (772 030 000 EGP at 31/12/2007) from SG Paris for 7 years.

The loan was extended on 27/12/2006 and bears an interest rate of 0.9% over LIBOR 12 months.

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

23- Contingent Liabilities & commitments

	31/12/2007 EGP	31/12/2006 EGP
Letters of Guarantee	10 042 484 363	7 373 971 159
Letters of Credit (import & export)	2 429 490 656	3 084 074 849
Acceptance Bills	523 642 174	391 453 503
Forward exchange contract	126 027 857	38 565 187
Interest rate swap contract	2 527 295 350	865 468 363
Other potential liabilities	167 495 681	185 358 094
Total	15 816 436 081	11 938 891 155

24- Gains from foreign currency transaction

	31/12/2007 EGP	31/12/2006 EGP
Gains from foreign currency transaction	80 183 556	62 902 699
Differences from valuation of Assets and Liabilities	(41 600 983)	(27 081 151)
loss from Forward exchange contract valuation	(22 886 600)	0
Total	15 695 973	35 821 548

25- Maturity of Assets & Liabilities

(A) Assets

	31/12/2007	
	Due within one year EGP	Due more than one year EGP
Due from Banks	13 537 468 331	--
Treasury Bills & CBE CDs	3 945 977 310	--
Trading Investments	241 144 840	--
Investments available for sale	122 335 840	3 509 769 787
Loans to customers (Totals)	13 921 702 137	8 248 994 000
Investments Held to maturity	187 923 031	225 247 447
Investments in Affiliates	--	39 223 661
Debit balances and other assets	556 880 871	--
Total	32 513 432 360	12 023 234 895

(B) Liabilities

Due to Banks	1 579 999 954	--
Customers' deposits	34 655 812 473	--
Term saving certificates	2 350 777 000	2 292 802 000
Long term loan	7 315 380	51 530 360
Subordinated loan	--	772 030 000
Credit balances and other Liabilities	1 164 135 740	--
Total	39 758 040 547	3 116 362 360

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

26- Interest Rates Applied During The period

The average of return rate on assets & liabilities reached 7.74%, 3.14% successively.

27- Tax Position

A- NSGB Position:

A-1) Corporate Tax

The Bank's accounts were examined and reconciled with respect to Tax since the beginning of activity till the end of 1988.

The years from 1989 till 1999 are under review by the Investment Tax Department and an internal committee is being created for these years.

A suitable provision was created for these years on the preparation of the financial statements of these years.

The years from 2000 till 2004 are reviewed and advised with form 18 & the bank intercept on the limitation of tax elements.

The years 2005 & 2006, The bank's books have been inspected, and the tax due was paid.

A-2) Salaries Taxes

The bank's books have been inspected, and the tax due was paid until year 2003.

Years 2004 till 2006, Had not yet been inspected.

B- EX-MIBank Position:

B-1) Corporate Tax

Years till 1987 The bank's books have been inspected, and the tax due was paid as per tax claim forms No. 3 and 4.

Years from 1988 till 1993

The bank's books have been inspected and the disputed issues were referred to the Appeal Committee, and the unresolved disputed issues were referred to the Court.

Years from 1994 till 1996

The bank's books have been inspected. Disputed issues were resolved in the internal Committee except for three issues which were transferred to the Appeal Committee which rendered its decision regarding two items (suspense and segregated interests) and referred back to the tax inspectorate the Proportionate Exemption of the Capital Increase for re-inspection.

Years from 1997 till 2003

The bank's books have been inspected and some tax disputes were resolved in the internal Committee. Other disputes were transferred to the Appeal Committee which does not verdicts decision yet. The most significant issues transferred to the Appeal Committee is the dispute between the bank and Tax Authority regarding the application of Proportionate Exemption relating to the Capital Increase during prior years. The bank has formed a reasonable provision for this dispute considering that it is probable to prevail this dispute in the light of the verdicts previously issued in favor of other banks in similar cases.

Year 2004

Is reviewed and waiting for amount allocated by tax authority.

Year 2005,2006

The years 2005 & 2006, The bank's books have been inspected, and the tax due was paid.

B-2) Salaries Taxes

The bank's books have been inspected, and the tax due was paid until 2004.

Years 2005,2006: Has not yet been inspected.

B-3) Stamp Tax

The bank's books have been inspected, and the tax due was paid for some branches until 2005 & for the others branches has not yet been inspected.

28- Distribution of Assets & Liabilities

(A) Distributing loans & advances portfolio (before deducting provisions) on different sectors of activity

	31/12/2007				31/12/2006				Rate of Increase or Decrease
	EGP	FCY	Amount	%	EGP	FCY	Amount	%	
Agricultural Sector	247 661	1 591	249 252	1.12%	203 618	5 190	208 808	1.16%	19%
Industrial Sector	5 390 072	4 965 950	10 356 022	46.71%	4 082 163	2 990 886	7 073 049	39.18%	46%
Commercial Sector	2 190 842	730 274	2 921 116	13.18%	1 791 864	743 195	2 535 059	14.04%	15%
Services Sector	3 157 968	2 081 214	5 239 182	23.63%	3 532 759	1 314 904	4 847 663	26.85%	8%
Sundries	2 716 485	688 639	3 405 124	15.36%	2 128 797	1 260 666	3 389 463	18.77%	0%
Total	13 703 028	8 467 668	22 170 696	100%	11 739 201	6 314 841	18 054 041	100%	23%

(B) Distributing Clients Deposits on different sectors of activity

	31/12/2007				31/12/2006				Rate of Increase or Decrease
	EGP	FCY	Amount	%	EGP	FCY	Amount	%	
Agricultural Sector	424 819	100 125	524 944	1.3%	108 409	12 310	120 719	0.36%	335%
Industrial Sector	5 081 976	5 698 037	10 780 013	27.4%	2 400 009	4 052 792	6 452 801	19.37%	67%
Commercial Sector	1 328 586	1 176 502	2 505 088	6.4%	2 764 061	1 112 792	3 876 853	11.64%	-35%
Services Sector	2 363 273	2 598 791	4 962 064	12.6%	2 534 520	1 868 109	4 402 629	13.22%	13%
Sundries	12 623 992	7 903 290	20 527 282	52.2%	11 301 492	7 157 112	18 458 604	55.41%	11%
Total	21 822 646	17 476 745	39 299 391	100%	19 108 491	14 203 115	33 311 606	100%	18%

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

(C) Distributing the Banks balances in local and foreign currency

	31/12/2007		31/12/2006		(in thousand EGP) Rate of Increase or Decrease
	Amount	%	Amount	%	
Due from banks					
Local currency	3 381 585	25%	375 235	4%	801%
Foreign currency	10 155 883	75%	8 436 969	96%	20%
Total	13 537 468	100%	8 812 204	100%	54%

Due to banks

Local currency	617 562	39%	331 780	34%	86%
Foreign currency	962 438	61%	634 976	66%	52%
Total	1 580 000	100%	966 756	100%	63%

(D) Distributing Contingent liabilities

	31/12/2007		31/12/2006		(in thousand EGP) Rate of Increase or Decrease
	Amount	%	Amount	%	
Customers	8 662 365	55%	8 143 339	68%	6%
Banks	7 154 071	45%	3 795 552	32%	88%
Total	15 816 436	100%	11 938 891	100%	32%

29- GOODWILL

On the first of January 2006, NSGB absorbed MIBank. The difference between the amount paid to absorb MIBank and its net asset value is a goodwill equal to EGP 1,809,588,338 Goodwill are amortized over five year as per CBE regulations.

The Installment of amortization for the year 2007 is EGP 361.917.668 The remaining amount of goodwill after amortization at end of December 2007 is EGP 1.085.753.003.

30- EARNINGS Per Share

	31/12/2007	31/12/2006
	EGP	EGP
Net profits of the year	674 180 781	147 924 300
Board of directors' remuneration	(1 500 000)	(1 500 000)
Employees share of profits (from the net profit for the year)	(60 000 000)	(32 000 000)
The shareholders' share from the net profit	612 680 781	114 424 300
The weighted average number of shares	245 148 528	171 561 302
Earnings per share	2.50	0.67

Supplementary Notes To The Financial Statements

For The Financial Period Ending 31/12/2007

31- Positions of Major Currencies

	31/12/2007	31/12/2006
	EGP	EGP
	Surplus (Deficit)	Surplus (Deficit)
Egyptian Pound	(54 112 901)	(21 447 000)
US Dollar	38 608 532	(30 548 000)
Sterling Pound	1 105 461	3 981 000
Japanese yen	(1 978 834)	42 447 000
Swiss Franck	(90 016)	25 000
Saudi ryal	927 287	64 000
Euro	13 816 867	4 269 000

32- Transactions With Related Parties

The Bank deals with related parties on the same bases it deals with others.

The nature & balances of these transactions are represented in the date of the financial statement as follows:

Nature of Transactions

	31/12/2007	31/12/2006
	EGP	EGP
Due From Banks	901 093 272	274 533 138
Loans to Customers	1 392 996 000	1 073 684 001
Investments in affiliates	39 223 661	55 196 007
Due To Banks	134 786 382	31 063 944
Customers Deposits	676 749 000	33 172 702
Subordinated loan	772 030 000	799 120 000

33- Comparison figures

Comparison figures have been amended to be in line with the current financial statements.

Mr. Mohamed El Dib

Chairman and Managing Director

Mr. Guy Poupet

Vice-Chairman and Managing Director



AUDITORS' Report

for the financial year ending 31/12/2007

To: The shareholders of National Société Générale Bank

We have audited the accompanying balance sheet of National Societe Generale Bank (an Egyptian joint Stock Company) as of December 31, 2007 and the related Statements of Income, and Cash Flows for the year then ended.

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Egyptian Standards on Auditing and in the light of Provisions of applicable Egyptian laws and regulations.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of Material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

We have obtained the information and explanations which deemed necessary for our audit.

We believe that our audit provides a reasonable basis for our opinion.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

We have obtained the information and explanations, which we deemed necessary for our Audit. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements previously referred to, together with the notes attached fairly present the financial position of the bank in all material respects as of December 31.2007, and the results of its operations and its cash flows for the financial year then ended in accordance with central Bank of Egypt regulations of preparing financial statement issued on 27 June 2002 and its amendments and in compliance with related applicable Egyptian laws and regulations.

The bank keeps proper accounting records which include all that is required by law and by the statutes of the bank, and accompanying financial statements are in agreement therewith.

Nothing came to our attention, which indicates that the bank violated any of the provision of law No.88 of 2003 and its amendments, as well as the bank's statutes.

The financial information contained in reported at board of directors prepared in conformity with law No.159 of 1981 and its executive regulations is in agreement with the bank's accounting records within the limit that such information is recorded therein.

Auditors'

Cairo on 21 February 2008

Kamel Magdy Saleh

Saleh, Barsum & Abdel Aziz - Deloitte

Mohamed Ahmed El-Gazzar

(Hazem Hassan KPMG)



