

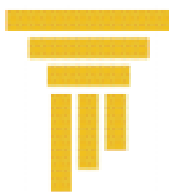
BYBLOS BANK SAL

Phone: (01) 335200, Fax: (01) 339436, Web: [http:// www.byblosbank.com.lb](http://www.byblosbank.com.lb)

**Capital LBP 247.228.467.600 Fully paid, C.R.B.14150,
List of Banks No. 39, Head Office - Beirut**

AUDITED CONSOLIDATED BALANCE SHEET

In LBP Million	December 2003			December 2004		
	LBP	C/V LBP	Total	LBP	C/V LBP	Total
ASSETS						
Cash and Central Bank	1,944,971	1,159,616	3,104,587	2,189,670	1,359,361	3,549,031
Lebanese Treasury bills and other government bills	1,139,798	968,786	2,108,584	975,153	1,457,705	2,432,858
Bonds and financial instruments with fixed income	0	116,264	116,264	0	347,253	347,253
Marketable securities & fin.instruments with variable income	5,428	16,094	21,522	12,510	2,624	15,134
Banks and financial institutions	3,104	1,635,475	1,638,579	12,413	1,648,239	1,660,652
- Current accounts	(54)	(106,095)	(106,149)	(335)	(85,241)	(85,576)
- Time deposits	(3,050)	(1,529,380)	(1,532,430)	(12,078)	(1,562,998)	(1,575,076)
- Securities purchased under resale agreements			0			0
H.O. & branches, parent co., sister inst. & subsidiaries	0	0	0	0	0	0
- Current accounts	0		0			0
- Time deposits	0		0			0
Loans and advances to customers (*)	222,778	1,557,898	1,780,676	276,677	1,744,192	2,020,869
- Commercial loans	(35,603)	(742,892)	(778,495)	(39,718)	(893,703)	(933,421)
- Other loans to customers	(206,127)	(767,677)	(973,804)	(240,698)	(805,480)	(1,046,178)
- Overdraft accounts	(1,148)	(6,162)	(7,310)	(1,877)	(11,321)	(13,198)
- Net debtor accts / creditor accts & cash collateral			0			0
- Loans & advances to related parties			0			0
- Net Non Performing Loans	(5,140)	(62,440)	(67,580)	(5,760)	(63,435)	(69,195)
- General Provisions	25,240	21,273	46,513	11,376	29,747	41,123
Bank acceptances	0	123,218	123,218	0	271,128	271,128
Investment and loans to related parties	0	0	0	0	0	0
Investment in related parties under equity method	0	0	0	0	0	0
- Non-financial	0	0	0	0	0	0
- Financial	0	0	0	0	0	0
Tangible fixed assets (including revaluation variance)	116,928	31,282	148,210	120,601	34,303	154,904
Intangible fixed assets			0	1,574	0	1,574
Other assets	2,777	302	3,079	2,754	5,482	8,236
Regularisation accounts & miscellaneous debtor accounts	11,011	5,296	16,307	7,946	16,409	24,355
Revaluation variance of other fixed assets	0		0	0		0
Consolidated Differences				0	0	0
Goodwill	0	15,894	15,894		11,977	11,977
TOTAL ASSETS *	3,446,795	5,630,125	9,076,920	3,599,298	6,898,673	10,497,971
			31/12/2003			31/12/2004
(*) of which substandard loans, net of reserved interest			55,772			49,009
(*) After deduction of:						
Provisions for Doubtful Debts			111,503			110,777
Unrealized interests on:			116,605			122,060
- Substandard Loans			20,265			20,365
- Doubtful loans			96,340			101,695
CONTRA ACCOUNTS						
Commitments by Signature Received - Financial Institutions	299	36,094	36,393	300	66,027	66,327
Commissions by Signature Received - Customers	148,434	3,777,311	3,925,745	164,171	3,033,483	3,197,654
TOTAL CONTRA ACCOUNTS	148,733	3,813,405	3,962,138	164,471	3,099,510	3,263,981
Npls fully provisioned transferred to Off-BS	25,644	29,699	55,343	24,365	29,724	54,089



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AUDITED CONSOLIDATED BALANCE SHEET

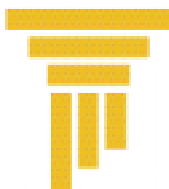
In LBP Million	December 2003			December 2004		
	LBP	C/V LBP	Total	LBP	C/V LBP	Total
LIABILITIES						
Central bank	80,620	0	80,620	82,595	0	82,595
Banks and financial institutions	512	473,928	474,440	301	651,917	652,218
- Current accounts	(512)	(108,844)	(109,356)	(301)	(261,315)	(261,616)
- Time deposits		(365,054)	(365,084)	0	(390,602)	(390,602)
- Securities sold under repurchase agreements			0			0
H.O. & branches, parent co., sister inst. & subsidiaries	0	0	0	0	0	0
- Current accounts			0		0	0
- Time deposits			0			0
Deposits from customers	2,924,904	4,495,097	7,420,001	3,116,991	5,146,891	8,263,882
- Sight deposits	(228,316)	(549,815)	(778,131)	(294,288)	(685,795)	(980,083)
- Time deposits	(483,550)	(1,333,009)	(1,816,559)	(644,147)	(1,540,172)	(2,184,319)
- Saving accounts	(2,212,064)	(2,555,470)	(4,767,534)	(2,177,500)	(2,851,186)	(5,028,686)
- Net creditor accts / debtor accts & cash collateral	0	0	0		0	0
- Related parties accounts	(974)	(56,803)	(57,777)	(1,056)	(69,738)	(70,794)
Engagements by acceptances	0	123,218	123,218	0	271,128	271,128
Liabilities under financial instruments	0	0	0	0	194,151	194,151
- Certificates of deposits		0	0	0	(120,857)	(120,857)
- Debenture bonds			0	0		0
- Other liabilities under financial instruments			0	0	(73,294)	(73,294)
Other liabilities	20,641	90,624	111,265	16,863	98,313	115,176
Regularisation accounts & miscellaneous creditor accts	6,175	3,753	9,928	13,492	3,023	16,515
Provisions for risks and charges	29,779	799	30,578	40,005	845	40,850
Subordinated loans (or notes)	0	157,303	157,303	0	155,225	155,225
Revaluation variance accepted as supplementary capital	1,978	0	1,978	1,978	0	1,978
Share capital and cash contribution	247,228	0	247,228	247,228	0	247,228
Reserves for general banking risks	17,073	9,170	26,243	17,826	14,592	32,418
Reserves and premiums and equity differences	135,961	164,596	300,557	149,093	167,589	316,682
- Group share (including unrealized gains & losses)	(135,961)	(164,596)	(300,557)	(149,093)	(167,589)	(316,682)
- Minority share	0	0	0	0	0	0
Balance carried forward	2,297	135	2,432	(2,800)	(458)	(3,258)
- Group share	(2,297)	(135)	(2,432)	2,800	458	3,258
- Minority share	0	0	0	0	0	0
Net income (or loss) for the year	65,813	3,420	69,233	77,048	2,134	79,182
- Group share	(65,813)	(3,420)	(69,233)	(77,048)	(2,134)	(79,182)
- Minority share	0	0	0	0	0	0
Cumulative Changes in Fair Value	0	1,743	1,743	7,082	1,568	8,650
Consolidation Differences	4,568	0	4,568	1,115	5,525	6,640
Revaluation variance of other fixed assets	3,711		3,711	3,711	0	3,711
Minority Interest	5,827	6,047	11,874	6,438	6,562	13,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,547,087	5,529,833	9,076,920	3,778,966	6,719,005	10,497,971
Financing Engagements - Financial institutions	0	260,951	260,951	0	426,345	426,345
Engagements by Signature - Customers	39,018	321,083	360,101	45,628	365,455	411,083
Fiduciary Accounts	10,137	93,313	103,450	9,980	93,622	103,602
TOTAL CONTRA ACCOUNTS	49,155	675,347	724,502	55,608	885,422	941,030

AUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT

In LBP Million	2003	2004
Interest and similar income	626,677	587,138
- Lebanese treasury bills	338,478	192,972
- Deposits & similar accounts in banks & fin. Institutions	134,933	233,034
- Deposits in head office & branches, parent company & foreign sister financial institutions & subsidiaries		
- Bonds and financial instruments with fixed income	6,612	18,632
- Loans and advances to customers	146,646	142,500
- Loans and advances to related parties	8	0
- Other interest and similar income		
Interest and similar charges	444,368	436,923
- Deposits & similar accts from banks & fin. Institutions	18,142	18,271
- Deposits from head office & branches, parent company & foreign sister financial institutions & subsidiaries		
- Deposits from customers and other creditor accounts	0	0
- Deposits from related parties	406,843	392,906
- Cash contribution to capital and subordinated loans	1,931	3,128
- Certificates of deposits	17,350	17,705
- Bonds and financial instruments with fixed income	102	3,930
- Other interest and similar charges	0	983
Net interest income before provisions	182,309	150,215
Net allocation to provisions	32,644	9,355
- Provisions for doubtful debts	41,215	17,736
- Provisions for doubtful debts no more required	8,571	8,381
Net interest received after provisions	149,665	140,860
Income from marketable securities & financial instruments with variable income	1,552	890
Net commissions	34,177	47,858
- Commissions received	35,767	49,373
- Commissions paid	1,590	1,515
Profit on financial operations	31,403	40,441
- Marketable securities	20,764	34,031
- Financial fixed assets	0	0
- Foreign exchange transactions	10,639	6,410
- Financial instruments	0	0
Loss on financial operations	152	2,142
- Marketable securities	126	2,036
- Financial fixed assets	0	0
- Foreign exchange transactions	26	106
- Financial instruments	0	0
Net profit of loss on financial operations	31,251	38,299
Other operating income	1,174	900
Other operating charges	0	0
General operating expenses	107,224	113,742
- Staff expenses	66,971	70,506
- Other operating expenses	40,253	43,236
Allocation to prov. & depreciation of fixed assets	24,458	23,115
Net allocation to prov. on financial fixed assets		0
Net allocation to prov. on contra accounts		0
Net income for the year - before taxes	86,137	91,950
Net extraordinary income - before taxes	-2,826	3,891
- Extraordinary income	2,045	5,407
- Extraordinary expenses	4,871	1,516
Income tax	13,419	14,943
Share in results of related cos. under equity method	0	0
- Non-financial institutions		0
- Financial institutions		
Net profit for the year - after taxes	69,892	80,898
- Group share	69,233	79,415
- Minority share	659	1,483

AUDITED CONSOLIDATED CASH FLOW STATEMENT

In LBP Million	2003	2004
OPERATING ACTIVITIES		
Net profit before taxation	82,652	94,125
Adjustments to reconcile results of the period to net cash:		
Depreciation of tangible fixed assets	19,834	18,850
Amortization of Goodwill	3,919	3,917
Amortisation of intangible fixed assets	-	63
Profit from sale of property and equipment	(130)	(1,067)
Profit from sale of Lebanese and other governmental treasury bills held not for trading	-	(21,836)
Profit from sale of bonds and financial assets with fixed income held not for trading	-	(1,635)
Changes in fair values of marketable securities and financial assets with variable income	(681)	(343)
Provisions on doubtful loans, net recoveries	32,644	9,355
Provision for employees' end of service benefits	1,631	1,673
Provisions for risks and charges	603	-
Provision for foreign currency fluctuation	-	14
Other provisions	-	6,520
Effect of exchange rate changes	(464)	(153)
Changes in Minority Interest	6,479	1,126
Operating profit before working capital changes	146,487	110,609
Deposits with Central Bank (maturities exceed 3 months)	(1,827,346)	37,041
Deposits with banks and financial institutions	2,451	(361,352)
loans and advances to customers	(11,330)	(249,548)
Other assets	(2,333)	(5,157)
Regularisation accounts and other debit balances	22,595	(11,747)
Due to banks and other financial institutions	(61,815)	60,276
Customers' deposits	937,725	843,881
Liabilities under financial instruments	(12,308)	194,151
Other liabilities	13,103	2,793
Regularisation accounts and other credit balances	(1,419)	6,587
Employees' end of service benefits paid during the year	(2,846)	(968)
Taxes Paid	(13,755)	(13,825)
Net cash from operating activities	(810,791)	612,741
INVESTING ACTIVITIES		
Bonds and other financial assets with fixed income held not for trading	(58,928)	(229,444)
Lebanese and other governmental treasury bills held not for trading	1,193,332	(301,821)
Proceeds on sale of tangible fixed assets	943	3,824
Purchase of tangible fixed assets	(22,030)	(25,115)
Purchase of intangible fixed assets	-	(1,637)
Proceeds from sale / (purchase) of marketable securities and financial assets with variables income	(13,502)	13,813
Net cash from investing activities	1,099,815	(540,380)
FINANCING ACTIVITIES		
Effect of exchange rate changes on shareholders' equities in foreign currencies	3,819	3,623
Issuance of preferred shares / nominal value	1,200	-
Premium from issuance of preferred shares	149,550	-
loans and balances due to Central Bank	(18,203)	1,975
Subordinated loans	(2,248)	(2,078)
Dividends paid	(49,196)	(51,177)
Net cash used in financing activities	84,922	(47,657)
Increase in cash and cash equivalents	373,946	24,704
Cash and cash equivalents - beginning of the year	1,578,169	1,952,115
Cash and cash equivalents - end of the year	1,952,115	1,976,819



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AUDITED CONSOLIDATED FINANCIAL HIGHLIGHTS & KEY RATIOS

(in US million, except for per share Data)	Dec-03	Dec-04
Total Assets	6,021	6,964
Customer Deposits	4,922	5,482
Net Advances to Customers	1,181	1,341
Cash & Due From Banks	3,146	3,456
Total Equity	546	569
Net Book Value (1)	442	466
Net Income	46.4	53.7
Number of shares outstanding	205,023,723	205,023,723
Earnings Per Share	0.23	0.26
Book Value Per Share	1.67	1.79
Growth in Assets	13.87%	15.66%
Growth in Customer Deposits	14.47%	11.37%
Growth in Net Advances to Customers	-1.12%	13.49%
Return on Average Assets	0.82%	0.83%
Return on Average Equity	12.08%	11.82%
Net Interest Margin	2.22%	1.60%
Cost-to-income	52.58%	57.46%
Tier One Capital to Assets	7.24%	6.53%
Net advances / Assets	19.62%	19.25%
Net Non-performing loans / Net Customer Loans	1.18%	1.39%
Liquid Assets / Assets	76.77%	76.11%
1 USD =	LBP 1,507.5	LBP 1,507.5

(1) This excludes subordinated loans.

The General assembly meeting conducted on the 12th of May 2005, declared and distributed before tax dividends of LBP 157.89 per common share, and LBP 18,168 per preferred share.

BOARD OF DIRECTORS

Dr. Francois S. Bassil
Mr. Semaan F. Bassil

Chairman - General Manager
Vice Chairman - General Manager

Mr. Ahmad T. Tabbarah
Mr. Albert S. Nassar
Mr. Bassam A. Nassar
Mr. Faisal M.A. Tabsh
Dr. Hassan N. Mounla
Mr. Moussa A. Maksoud
Dr. Samir A. Makdessi

Member
Member
Member
Member
Member
Member
Member

EXTERNAL AUDITORS

Ernst & Young
Semaan, Ghlolam & Co.