



BYBLOS BANK ^{SAL}

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

Capital LBP 494,456,935,200 Fully Paid, C.R.B.14150,
List of Banks No. 39, Head Office - Beirut

BALANCE SHEET AND CONTRA ACCOUNTS (AUDITED)

at year end (Millions of LBP)	31/Dec/06			31/Dec/07		
	LBP	C/V LBP	Total	LBP	C/V LBP	Total
ASSETS						
Cash and Central Bank	966,768	1,540,109	2,506,877	717,743	1,895,069	2,612,812
Lebanese Treasury bills and other government bills	2,225,740	1,949,068	4,174,808	2,134,306	2,130,730	4,265,036
Bonds and financial instruments with fixed income	0	86,383	86,383	0	122,316	122,316
Marketable securities & fin.instruments with variable income	14,219	24,429	38,648	15,147	102,720	117,867
Banks and financial institutions	15,904	2,352,947	2,368,851	51,953	3,190,646	3,242,599
- Current accounts	(658)	(116,734)	(117,392)	(205)	(227,331)	(227,536)
- Time deposits	(15,246)	(2,236,213)	(2,251,459)	(51,748)	(2,963,315)	(3,015,063)
- Securities purchased under resale agreements	0	0	0	0	0	0
H.O. & branches, parent co., sister inst. & subsidiaries	0	0	0	0	0	0
- Current accounts	0	0	0	0	0	0
- Time deposits	0	0	0	0	0	0
Loans and advances to customers (*)	333,058	2,304,664	2,637,722	393,306	2,972,707	3,366,013
- Commercial loans	(60,207)	(1,756,061)	(1,816,268)	(69,583)	(2,531,754)	(2,601,337)
- Other loans to customers	(281,701)	(526,986)	(808,687)	(333,677)	(417,927)	(751,604)
- Overdraft accounts	(1,420)	(13,291)	(14,711)	(253)	(3,654)	(3,907)
- Net debtor accts / creditor accts & cash collateral	0	0	0	0	0	0
- Loans & advances to related parties	0	0	0	0	(21,785)	(21,785)
- Net Non Performing Loans	(4,337)	(32,741)	(37,078)	(3,788)	(25,493)	(29,281)
- General Provisions	14,607	24,415	39,022	13,995	27,906	41,901
Bank acceptances	0	284,106	284,106	0	265,415	265,415
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
Tangible fixed assets (including revaluation variance)	105,574	83,824	189,398	110,729	133,008	243,737
Intangible fixed assets	1,324		1,324	1,199	0	1,199
Other assets	2,715	376	3,091	2,631	102	2,733
Regularisation accounts & miscellaneous debtor accounts	19,000	36,550	55,550	20,818	35,357	56,175
Revaluation variance of other fixed assets	0	0	0	0	0	0
Consolidation Differences	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0
Total Assets *	3,684,302	8,662,456	12,346,758	3,447,832	10,848,070	14,295,902
(*) of which substandard loans, net of reserved interest			31,931			21,381
(*) After deduction of:						
Provisions for Doubtful Debts			108,552			65,690
Unrealized interests on:			107,385			87,122
- Substandard Loans			15,118			14,114
- Doubtful loans			92,267			73,008
Commitments by Signature Received - Financial Institutions	80	9,763	9,843	0	4,288	4,288
Commissions by Signature Received - Customers	168,520	4,394,504	4,563,024	185,105	5,166,675	5,351,780
Total contra accounts	168,600	4,404,267	4,572,867	185,105	5,170,963	5,356,068
Npls fully provisioned transferred to Off-BS	11,507	33,916	45,423	21,538	92,151	113,689



BYBLOS BANK ^{SAL}

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

Capital LBP 494,456,935,200 Fully Paid, C.R.B.14150,
List of Banks No. 39, Head Office - Beirut

LIABILITIES AND SHAREHOLDERS' EQUITY (AUDITED)

at year end (Millions of LBP)	31/Dec/06			31/Dec/07		
	LBP	C/V LBP	Total	LBP	C/V LBP	Total
Central bank	34,555	42,530	77,085	36,535	24,415	60,950
Banks and financial institutions	31,905	844,970	876,875	13,740	994,422	1,008,162
- Current accounts	(1,361)	(150,048)	(151,409)	(1,463)	(196,588)	(198,051)
- Time deposits	(30,544)	(694,922)	(725,466)	(12,277)	(797,834)	(810,111)
- Securities sold under repurchase agreements	0	0	0	0	0	0
H.O. & branches, parent co., sister inst. & subsidiaries	0	0	0	0	0	0
- Current accounts	0	0	0	0	0	0
- Time deposits	0	0	0	0	0	0
Deposits from customers	2,726,360	6,735,129	9,461,489	2,740,105	8,190,943	10,931,048
- Sight deposits	(198,891)	(887,705)	(1,086,596)	(174,289)	(1,133,045)	(1,307,334)
- Time deposits	(465,741)	(1,808,240)	(2,273,981)	(405,082)	(2,314,106)	(2,791,188)
- Saving accounts	(2,059,502)	(3,998,888)	(6,058,390)	(2,159,474)	(4,658,462)	(6,817,936)
- Net creditor accts / debtor accts & cash collateral	0	0	0	0	0	0
- Related parties accounts	(2,226)	(40,296)	(42,522)	(1,260)	(85,330)	(86,590)
Engagements by acceptances	0	284,106	284,106	0	265,415	265,415
Liabilities under financial instruments	0	273,519	273,519	0	269,872	269,872
- Certificates of deposits	0	(120,999)	(120,999)	0	(121,094)	(121,094)
- Other liabilities under financial instruments	0	(152,520)	(152,520)	0	(148,778)	(148,778)
Other liabilities	25,175	130,384	155,559	28,034	133,008	161,042
Regularisation accounts & miscellaneous creditor accts	4,368	33,122	37,490	15,254	35,545	50,799
Provisions for risks and charges	45,573	1,145	46,718	65,228	282	65,510
Subordinated loans (or notes)	(222)	48,057	47,835	0	331,145	331,145
Revaluation variance accepted as supplementary capital	1,978	0	1,978	1,978	0	1,978
Share capital and cash contribution	494,456	0	494,456	494,456	0	494,456
Treasury shares	(366)	0	(366)	(947)	0	(947)
Reserves for general banking risks	27,338	20,821	48,159	36,039	20,877	56,916
Reserves and premiums and equity differences	170,854	172,738	343,592	184,048	205,073	389,121
Balance carried forward	18,359	465	18,824	10,673	454	11,127
Net income (or loss) for the year	106,340	9,049	115,389	124,920	17,630	142,550
Cumulative Changes in Fair Value	8,791	(21,041)	(12,250)	9,715	(55,959)	(46,244)
Foreign currency translation reserve	11,638		11,638	1,116	20,553	21,669
Revaluation variance of other fixed assets	3,711		3,711	3,711	0	3,711
Minority Interest	7,937	53,014	60,951	8,666	68,956	77,622
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,718,750	8,628,008	12,346,758	3,773,271	10,522,631	14,295,902

CONTRA ACCOUNTS

Commitments Given:	32,337	796,798	829,135	47,351	1,111,936	1,159,287
- Guarantees	32,337	591,387	623,724	47,351	719,782	767,133
- Letters of credit Export	0	205,411	205,411	0	392,154	392,154
Financing Commitments given:	0	541,477	541,477	0	553,902	553,902
- Letters of credit import	0	541,477	541,477	0	553,902	553,902
Assets under management and fiduciary accounts	10,898	138,002	148,900	10,898	103,296	114,194

PROFIT & LOSS ACCOUNT (AUDITED)

At year end (Millions of LBP)	2006	2007
Interest and similar income	811,188	924,687
- Lebanese treasury bills	321,600	360,924
- Deposits & similar accounts in banks & fin. Institutions	292,849	309,254
- Deposits in head office & branches, parent company & foreign sister financial institutions & subsidiaries	0	0
- Bonds and financial instruments with fixed income	6,267	10,032
- Loans and advances to customers	190,139	242,220
- Loans and advances to related parties	333	2,257
- Other interest and similar income	0	0
Interest and similar charges	584,265	657,862
- Deposits & similar accts from banks & fin. Institutions	49,092	51,782
- Deposits from head office & branches, parent company & foreign sister financial institutions & subsidiaries	0	0
- Deposits from customers and other creditor accounts	504,099	575,101
- Deposits from related parties	1,773	5,331
- Cash contribution to capital and subordinated loans	12,492	8,669
- Certificates of deposits	0	0
- Bonds and financial instruments with fixed income	7,785	7,784
- Other interest and similar charges	9,024	9,195
Net allocation to provisions	10,282	4,761
- Provisions for doubtful debts	18,885	13,808
- Provisions for doubtful debts no more required	8,603	9,047
Net interest received	216,641	262,064
Income from marketable securities & financial instruments with variable income	990	1,581
Net commissions	79,393	93,029
- Commissions received	85,156	104,989
- Commissions paid	5,763	11,960
Profit on financial operations	52,504	32,588
- Marketable securities	41,205	18,078
- Financial fixed assets	0	0
- Foreign exchange transactions	11,299	14,510
- Financial instruments	0	0
Loss on financial operations	27,646	4,789
- Marketable securities	25,156	2,508
- Financial fixed assets	0	0
- Foreign exchange transactions	2,490	2,281
- Financial instruments	0	0
Net profit or loss on financial operations	24,858	27,799
Other operating income	4,047	3,885
Excess of group's interest in the net fair value of net assets of acquired subsidiary over cost	0	870
Other operating charges	10,838	6,052
General operating expenses	150,769	179,548
- Staff expenses	81,978	98,366
- Other operating expenses	68,791	81,182
Allocation to prov. & depreciation of fixed assets	17,963	18,536
Net allocation to prov. on financial fixed assets	0	0
Net allocation to prov. on contra accounts	0	0
Net income for the year - before taxes	146,359	185,092
Income tax	27,672	35,574
Share in results of related cos. under equity method	0	0
- Non-financial institutions	0	0
- Financial institutions	0	0
Net profit for the year - after taxes	118,687	149,518
- Group share	115,389	142,550
- Minority share	3,298	6,968



BYBLOS BANK^{SAL}

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

**Capital LBP 494,456,935,200 Fully Paid, C.R.B.14150,
List of Banks No. 39, Head Office - Beirut**

CASH FLOW STATEMENT (AUDITED)

	2006	2007
	LL million	LL million
OPERATING ACTIVITIES		
Profit before tax and minority interest	146,359	185,092
Adjustments for:		
- Depreciation of tangible assets	12,170	13,660
- Amortization of intangible assets	125	125
- Provisions for assets acquired in recovery of debts	5,668	4,751
- Disposal of tangible fixed assets	(46)	(399)
- Profit on disposal of assets acquired in recovery of debts	(274)	(304)
- Profit on sale of treasury bills held for trading	(3,348)	938
- Profit on sale of non-trading treasury bills	(12,354)	(77)
- Loss (profit) on sale of bonds held for trading	223	65
- Loss on sale of non-trading bonds	705	0
- Profit on sale of shares held for trading	(4,221)	(5,285)
- Profit on sale of certificates of deposits with the Central Bank	(12,904)	(11,776)
- Excess of group's interest in the net fair value of net assets of acquired subsidiary over cost	0	(870)
- Changes in fair value of treasury bills held for trading	11,165	1,123
- Changes in fair value of shares held for trading	4,639	(503)
- Changes in fair value of bonds for trading	46	(55)
- Provision transferred to profit and loss accounts after liberation of assets	(2,070)	(298)
- Provision for doubtful debts	6,013	726
- Provision for doubtful banks and financial institutions (net of recoveries)	(35)	0
- Provision for other debtors (net of recoveries)	253	(104)
- General provision (net of recoveries)	3,253	3,929
- Provision for country risk (net of recoveries)	228	54
- Bad debts written off	570	156
- Provision for end of service indemnities	1,819	4,888
- Provision for foreign currency variances	12	6
- Provision for risk and charges (recoveries)	489	(3)
- Technical reserves of insurance company	8,297	14,784
- Provision for risk and charges (net of recoveries)	997	0
	167,779	210,623

CASH FLOW STATEMENT (AUDITED)

	2006	2007
	LL million	LL million
Changes in operating assets and liabilities		
Trading treasury bills	768,883	314,202
Trading bonds	72,782	1,337
Trading shares	(2,389)	1,613
Due from Central Bank	479,304	(281,147)
Due from banks and financial institutions	(50,509)	(24,098)
Loans and advances	(411,990)	(723,122)
Other assets	(277)	562
Regularisation and other debit balances	(24,370)	64
Due to Central Banks	32,539	(19,020)
Due to banks and financial institutions	118,376	37,892
Customer deposits	953,017	1,460,280
Other liabilities	30,610	379
Regularization and other credit balances	13,111	13,309
End of service benefits paid	(969)	(883)
Taxes paid	(26,901)	(30,724)
Cash from operating activities	2,118,996	961,267
INVESTING ACTIVITIES		
Non-trading treasury bills	(1,300,769)	(440,403)
Non-trading bonds	(2,566)	(35,584)
Non-trading shares	(52)	(75,285)
Purchase of tangible fixed assets	(25,648)	(50,246)
Properties acquired in settlement of debt	(24,247)	(19,089)
Proceeds from sale of tangible fixed assets	390	1,103
Proceeds from sale of properties acquired in settlement of debt	9,959	3,569
Acquisition of a subsidiary, net of cash acquired	0	(8,530)
Cash from investing activities	(1,342,933)	(624,465)
FINANCING ACTIVITIES		
Issuance of priority shares	0	0
Due to Central Bank	(50,020)	2,885
Liabilities under financial instruments	6,699	(3,647)
Subordinated loans	(105,153)	304,119
Treasury shares	(366)	(581)
Dividends paid	(52,980)	(92,962)
Change in minority interest	892	9,980
Write off against general reserve	0	0
Cash from financing activities	(200,928)	219,794
Effect of exchange rates		
Effect of exchange rates on fixed assets	(652)	(1,593)
Foreign currency translation reserve	7,058	10,031
Effect of exchange rates on reserves and premium	2,389	3,353
Net effect of foreign exchange rates	8,795	11,791
Increase in cash and cash equivalents	583,930	568,387
Cash and cash equivalents – beginning of the year	2,298,993	2,882,923
Cash and cash equivalents – end of the year	2,882,923	3,451,310



BYBLOS BANK SAL

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

**Capital LBP 494,456,935,200 Fully Paid, C.R.B.14150,
List of Banks No. 39, Head Office - Beirut**

FINANCIAL HIGHLIGHTS & KEY RATIOS (AUDITED)

(in US million, except for per share Data)	Dec-06	Dec-07
Total Assets	8,190	9,483
Customer Deposits	6,276	7,251
Net Advances to Customers	1,750	2,233
Cash & Due From Banks	3,234	3,884
Total Equity	752	984
Net Book Value (1)	721	765
Net Income	78.7	99.2
Growth in Assets	8.83%	15.79%
Growth in Customer Deposits	11.17%	15.53%
Growth in Net Advances to Customers	17.59%	27.61%
Return on Average Assets	1.00%	1.12%
Return on Average Equity	11.14%	13.35%
Net Interest Margin	2.00%	2.10%
Cost-to-income	51.86%	51.06%
Tier One Capital to Assets	8.76%	8.20%
Net advances / Assets	21.36%	23.55%
Net Non-performing loans / Net Customer Loans	-0.07%	-0.75%
Liquid Assets / Assets	74.00%	71.65%
1 USD =	LBP 1,507.5	LBP 1,507.5

(1) This excludes subordinated loans.

BOARD OF DIRECTORS

Dr. François S. Bassil	(Chairman & General Manager)
Mr. Semaan F. Bassil	(Vice-Chairman & General Manager)
H.E. Dr. Nasser H. Saidi	(Director)
Mr. Abdulhadi A. Shayif	(Director)
H.E. Mr. Arthur Nazarian	(Director)
Mr. Albert S. Nassar	(Director)
Mr. Bassam A. Nassar	(Director)
H.E. Dr. Samir K. Makdessi	(Director)
Mr. Ahmad T. Tabbarah	(Director)
Dr. Hasan N. Al-Mounla	(Director)
Mr. Fayçal M. Ali Tabsh	(Director)
Mr. Moussa A. Maksoud	(Director)

EXTERNAL AUDITORS

Ernst & Young
Semaan, Gholam & Co.