

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BYBLOS BANK SAL

We have audited the accompanying consolidated financial statements of Byblos Bank SAL (the Bank) and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2007 and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

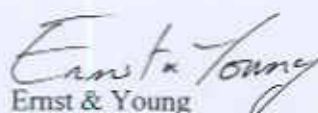
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether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

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

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

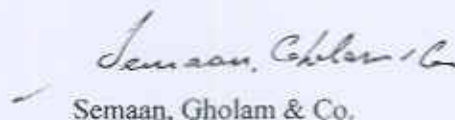
Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2007 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Ernst & Young

18 April 2008
Beirut, Lebanon



Semaan, Gholam & Co.

Byblos Bank SAL

CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Notes	2007 LL million	2006 LL million
ASSETS			
Cash and balances with central banks	5	2,612,812	2,506,877
Lebanese and other governmental treasury bills and bonds	6	4,265,036	4,174,808
Bonds and financial instruments with fixed income	7	122,316	86,383
Shares, securities and financial instruments with variable income	8	117,867	38,648
Banks and financial institutions	9	3,242,599	2,368,851
Loans and advances to customers (*)	10	3,366,013	2,637,722
Bank acceptances	11	265,415	284,106
Tangible fixed assets	12	243,737	189,398
Intangible assets	13	1,199	1,324
Other assets	14	2,733	3,091
Regularisation accounts and other debit balances	15	56,175	55,550
TOTAL ASSETS		14,295,902	12,346,758

(*) Including:

- Substandard loans (gross amount)		35,495	47,049
- Unrealized interest on substandard, doubtful and bad loans		(87,122)	(107,385)
- Provision for doubtful and bad loans		(107,591)	(147,724)

OFF BALANCE SHEET ITEMS

Engagements received from financial intermediaries		4,288	9,843
Engagements received from customers		5,351,780	4,563,024
Bad loans fully provided for	10	113,690	45,423
Foreign currencies to deliver against foreign currencies to receive	35	398,463	398,072

The consolidated financial statements were authorized for issue in accordance with the Board of Directors resolution on 17 April 2008.


 Dr. Francois Bassil
 Chairman/ General Manager


 Mr Alain Wanna
 Financial and Administrative Manager

The attached notes 1 to 51 form part of these consolidated financial statements.


Byblos Bank SAL

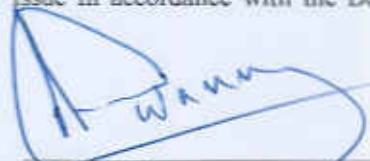
CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Notes	2007 LL million	2006 LL million
LIABILITIES AND EQUITY			
Due to central banks	16	60,950	77,085
Banks and financial institutions	17	1,008,162	876,875
Customers' deposits	18	10,931,048	9,461,489
Engagements by acceptances	11	265,415	284,106
Liabilities under financial instruments	19	269,872	273,519
Other liabilities	20	161,042	155,559
Regularisation accounts and other credit balances	21	50,799	37,490
Provisions for risks and charges	22	65,510	46,718
Subordinated loans	23	331,145	47,835
TOTAL LIABILITIES		13,143,943	11,260,676
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital	25	494,456	494,456
Treasury Shares	25	(947)	(366)
Revaluation variance of fixed assets	24	5,689	5,689
Reserve for general banking risks	26	56,916	48,159
Other reserves and premiums	27	389,121	343,592
Retained earnings		11,127	18,824
Net results of the financial period - profit	30	142,550	115,389
Cumulative changes in fair values	28	(46,244)	(12,250)
Foreign currency translation difference		21,669	11,638
MINORITY INTERESTS	29	77,622	60,951
TOTAL EQUITY		1,151,959	1,086,082
TOTAL LIABILITIES AND EQUITY		14,295,902	12,346,758
OFF BALANCE SHEET ITEMS			
Signature commitments given	34	1,159,288	829,135
Financing commitments given	34	553,901	541,477
Assets under management and fiduciary deposits	34	177,875	148,900
Assets in custody	34	2,066,134	944,137
Foreign currencies to receive against foreign currencies to deliver	35	398,492	397,634

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 Dr Francois Bassil
 Chairman/ General Manager


 Mr Alain Wanna
 Financial and Administrative Manager

The attached notes 1 to 51 form part of these consolidated financial statements.