



BANK OF COMMERCE
& DEVELOPMENT (L. J. S. C.)

ANNUAL REPORT

**FOURTH ANNUAL REPORT
THE BOARD OF DIRECTORS
31 / 12 / 2000**





BANK OF COMMERCE & DEVELOPMENT (L. J. S. C.)



LIBYAN STOCK COMPANY



FOURTH ANNAUAL REPORT

31 / 12 / 2000

PREPARED AND TRANSLATED BY :
JAMAL T. ABDELMALEK



BANK OF COMMERCE & DEVELOPMENT (L. J. S. C.)



LIBYAN STOCK COMPANY



Incorporated according to law no. (1) Year 1993 as amended for Banks Monetary and advances as follows.

1. Secretary, Peoples' Committee of the Planning and Financial decision no. (234) for year 1423m.
 2. Secretary, Peoples' Committee of the Planning, Economics and Commerce no- (529) for the year 1424m.
 3. Commercial Regulation under no. (9515) dated 09/11/95.
- The bank officially inaugurated on 09/06/96. Joined as a member of union of Arab Banks on 01/05/96.
- Joined as a member of Union of Magreib Banks 30/05/98.
- Joined as a member of the Libyan Banks Association 10/08/96.

Capital :

Authorized (LYD 9,000,000) Libyan dinars nine million
Paid (LYD 9,000,000) Libyan dinars nine million

Shareholders :

1801 Natural persons
39 Juridical persons (public and private)

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BANK OF COMMERCE & DEVELOPMENT

Head Office

General Administration - Frusiya Building For Investment

Al-jazira Gulf Of Sirtes St. - Benghazi - Libya

P. O. Box : 9045 Telex : 40298 Bcd H.O Ly

Tel. : + 218 - 61 9097115 - 9080230 Fax. : + 218 - 61 9097300 - 9097220

E-mail: Bankofcd@Bankofcd.Net Swift : CdbllY2T

Branches:

1. Benghazi main branch

Inaugurated on 09/06/96

Burj al mukhtar 1 st. Floor - sh. Jamal
abdunnasar - Benghazi - Libya

P. O. Box : 9160

Telex : 40386 bcd bzily

Tel. : +218 - 61 9097361 - 9080555

Fax. : +218 - 61 9080444

Phone bank : +218 - 61 9090745

2. Tripoli main branch

Inaugurated on 06/09/97

Tower no, (1) dat el imad buildings - Tripoli -
Libya

P. O. Box. : 91210

Telex : 20394 bcd trily

Tel. : +218 21 3350422 - 3350423 - 3350424

- 3350530 - 3350527

Fax. : +218 21 3350528 - 3350421

Phone bank : +218 21 3350529

3. Misurata main branch

Inaugurated on 06/09/98

Misurata industrial fair near the high mosque -
Misurata - Libya

P O box. : 78

Telex : 30191 bcd msly

Tel. : +218 51 629550 To 629551 - 620074 fax.

: +218 51 629538 - 629537

Phone bank : +218 51 629552

Agencies:

1. Ghout alshaal agency

Inaugurated on 21/04/99

Zarka el yamama center no 2 - ghout alshaal -
tripoli - Libya

Tel. : +218 - 21 4838758 To 4838762

fax. : +218 - 21 4838760

Phone bank : +218 - 21 4838762

2. Elforosia agency

Inaugurated on 09/06/99

General administration - frusiya building for
investment al-jazira gulf of sirtes st. - Benghazi
- Libya

Tel. : +218 - 61 9080777

Fax. : +218 - 61 9097300

Phone bank : +218 - 61 9081481

Branches due to open soon:

- Tobruk main branch
- Zawia main branch

Agencies opening soon :

- The Garden City agency - Benghazi
- Al fowayhat agency - Benghazi
- Ainzara agency - Tripoli
- Souck eljoumaa agency - Tripoli



BOARD OF DIRECTORS

JAMAL T. ABDULMALEK
Chairman & General Manager

* HASSAN OMRAN HAROUN
Vice Chairman & Deputy General Manager

DR. MOHAMED R. BUZAKUK
Member

MUBARAK ABDULLAH AL SHAREEF
Member

YOUSEF AWAD AL HASADY
Member

ABDUIL KABIR IMHEMED SALIM
Member

** FAWZIA SALIM KABLAN
Member

MOHD. MOHD. HUWAIDI
Member (on behalf of Islamic Call Society)

FADAL ALLAH FARAJ FANOOSH
Member (on behalf of Libyan Insurance Co.)

OMAR FARAJ AL LAHIEWEL
Secretary to the Board

* With effect from 27/03/2000 Mr. Fathi Juma Busnina has been selected to the post of deputy chairman and general manager instead of Mr. Hassan Omran Haroun who terminated from 01/07/2000. Vice chairman & deputy general manager

** At the meeting of the general board on 27/03/2000 the membership of Miss. Fawzia Salim Kablan replaced by Mr. Hassan Omran Haroun who transferred to Tunis as General Secretary Of The Union Of Maghrebien Banks.



GENERAL MANAGEMENT

Mr. JAMAL T. ABDULMALEK	<i>Chairman & General Manager</i>
Mr. HASSAN OMRAN HAROUN	<i>Vice Chairman & Deputy General Manager</i>
Mr. ABDEL FATEH AHMAD AL FAGI	<i>Manager Accounts Department</i>
Mr. IDRIS I. TASHANI	<i>Manager of Credit Administration</i>

BRANCH MANAGERS

MOHAMMED A. SHARKASI	<i>Acting Manager, Benghazi Main Branch</i>
YOUSEF S. TURKMAN	<i>Manager, Tripoli, Branch</i>
YOUSEF A. EL-BAKOUSH	<i>Acting Manager, Misurata Main Branch</i>
MUHSIN A. ZOGOGO	<i>Acting Manager Tobruk Main Branch</i>

HEADS OF AGENCIES

ASHOUR A. ASHOUR	<i>Head of Elforosia Agency</i>
MUSA M. ABOUBAKER	<i>Head of Ghout Alshaal Agency</i>
HASSAN A. ATTOUMI	<i>Head - Africa Center Agency</i>



BANK OF COMMERCE & DEVELOPMENT

The General Assembly Ordinary Meeting Resolutions

The General Assembly Fourth Meeting was held in Benghazi on 19/03/2001 and resolved the following resolutions:-

First Resolution:

The General Assembly decides it had fully and completely studied the Board of Director's Report on the Bank's activities and its financial position for the financial year ending on 31/12/2000 and approves it without any comments.

Second Resolution:

The General Assembly decides it had fully and completely studied the Control Committee's Report and did not comment on it.

Third Resolution:

The General Assembly decides it had fully and completely studied the Accounts Auditors Report and decided to include it in the Minutes of Meeting considering it one of its Documents.

Fourth Resolution:

Firstly:

The General Assembly approves the Balance Sheet ending on 31/12/2000 and also the Income Statement for the year ending on 31/12/2000.

Secondly:

The General Assembly agrees to the proposed appropriations calculation for the year ending on 31/12/2000 without any changes.

Fifth Resolution:

The General Assembly agrees to renew the appointment of the accounts auditors for the year 2001 and determined their fees.

Sixth Resolution:

The General Assembly decides an increase of the fees of the chairman and members of the Control Committee.



BANK OF COMMERCE & DEVELOPMENT

CAPITAL NINE MILLION LIBYAN DINARS - C. R. 9515

Chairman Of The Board And General Manager

Address by the Chairman Of The Board And General Manager in the Fourth Regular Share Holders Meeting on 19th of March 2001

Ladies and Gentlemen

The Shareholders Of The Bank Of Commerce And Development,

It gives me great happiness to speak to you on the occasion of the Fourth Regular Share Holders Meeting of our Bank for the year ending on the 31st of December 2000.

First and foremost, I am greatly honored to welcome each and everyone of you; allow me to express my thanks and gratitude for your attendance at this meeting as well as your continuous support of your Bank.

I praise God in his heights and thank him for the gifts of achievement and success he endowed upon our Bank in such a brief period of existence, which has not yet exceeded its fifth year since it started its operations on the 15th of June 1996. The year 2000 was witness to realizing some new services to be added to those of the years 1997, 1998 and 1999. Following are achievements made during this

year:

1- Completion of the first phase of building the Bank of Commerce and Development Tower which is composed of a basement, a ground floor and seven stories. The basement hall will house a new bank agency, to be called the Jamal Abdennaser Agency. The seven stories will be the Bank Head Quarters, housing all the departments of the Head Office.

2- Construction has started on a modern bank branch building in Tripoli to be home of our Tripoli Main Branch in the City of Tripoli. Work is progressing at a fast pace and we hope the first phase will be completed before the end of June 2001, God willing.

3- A new agency -subordinate to the Misurata Branch- was opened in the City of Misurata, it is housed in the Africa Commercial Center and was named the Africa Commercial Center Agency. It started its banking operations on the 16th of June 2000 and has realized good profits at the end of the fiscal year on the 31st of December 2000.

4- The Authorities in the Tobruk Region have agreed to allocate a plot of land, in a strategic location. Notarization and registration procedures in the Real Estate Register were completed in the Bank's name. We hope to start construction on the site during the current year 2001.



BANK OF COMMERCE & DEVELOPMENT

CAPITAL NINE MILLION LIBYAN DINARS - C. R. 9515

5- The Bank obtained approval from the Central Bank of Libya to open a main branch in the City of Tobruk. An appropriate premises to house the bank was allocated. It was furnished and provided with equipment, instruments and saves. A branch manager and employees were hired. We are hopeful that this branch will open for business during this month, March 2001.

6- Your Bank was as usual in the forefront when it comes to innovative services. It was the first bank to introduce a queuing system for customer service. The system is based on an automatic ticket dispenser available to customers at the entry point. When the customer pulls a ticket from the dispenser he waits his turn in the seating area. When his turn is up his number is indicated both visually and audibly along with the tiller number where he will be served. In this manner customers are served in the order of their arrival into the bank without any preferential treatment. Our bank is the only bank which has introduced this service in its branches and agencies.

I am happy to tell you that your bank has its capital paid in full. Until mid 2000 the paid up capital was (4,500,000 LD). It was paid in fully before the 30th of December 2000 to reach

(9,000,000 LD) (only nine million LD), thus the Bank has completed the payment of its approved capital which is now nine million Libyan Dinars, owned by 1712 shareholders natural and 39 legal persons.

With praise to god I am glad to tell you that your Bank has achieved during the fiscal year ending on the 31st of December 2000 profits of (7,051,962 LD) seven million, fifty one thousand and nine hundred and sixty two Libyan Dinars. These profits amount to 78% of the Bank's capital of 9 million LD after deducting all the general, administrative and depreciation expenses.

A sum of (4,317,756 LD) four million, three hundred and seventeen thousand and seven hundred and fifty six Libyan Dinars will paid to the Tax Department in the form of corporate tax and Jihad tax, a rate of 61% of the net profit. This emphasizes to you that your bank which embodies the direct collective public ownership, was never a burden on the Public Treasury of the State since it was established on the 9th of November 1995. On the contrary it is always supportive of the Treasury paying all its tax liabilities for the Tax Department. The Banks employees,



BANK OF COMMERCE & DEVELOPMENT

CAPITAL NINE MILLION LIBYAN DINARS - C. R. 9515

workers and part time employees in the Head Office and all the branches and agencies numbering 125 get their pay, benefits and compensation from the Bank and not from the Public Treasury or any other public entity. As further proof to what we have just mentioned, our Bank has paid and allocated the sum of (7,188,494 LD) seven million, one hundred and eighty eight thousand and four hundred and ninety four Libyan Dinars or a ratio of 80% of the Banks paid up capital of 9 million Libyan Dinars.

It gives me pleasure to declare to you my full satisfaction with the Bank's achievements in terms of numbers and profits and its significant growth which is indisputable. These numbers prove the success and development of your Bank from year to year; they show the following results:

a. The Bank's balance sheet on the 31st of December 2000 demonstrated significant growth compared with the previous years, assets and liabilities increased on the 31st of December 2000 by a ratio of 509% over 1997.

b. The income statement for the period ending on the 31st of December 2000 demonstrated an increase of operations profits before taxes by a ratio of more than 1600%

over 1997.

c. Per share profits before taxes for the year ending on the 31st of December 2000 amounted to (7.836 LD) seven Dinars, eight hundred and thirty six Dirhams per share, while it was (921 Dirhams), nine hundred and twenty one Dirhams for the year 1997.

d. Per share dividends after taxes for the year 2000 amounted to (3.037 LD) Three Dinars, and thirty seven Dirhams, while it was (411 Dirhams) four hundred and eleven Dirhams for the year 1997.

In conclusion, I extend my thanks and gratitude to our shareholders and our customers for choosing our Bank do business with and through it and for their support and encouragement. I greatly value the efforts of the staff at the Head Office and the branches' employees, which resulted all these successes.

Special thanks goes to our Central Bank and the sister banks inside Libya and the friendly ones outside it for their constructive cooperation.

May peace and God's blessings be with you

Jamal T. AbdulMalek

Chairman Of The Board And General Manager



The Fourth Board Of Directors Report

On the bank's activities and its financial position
for the year ending 31/12/2000

**To : members of the general assembly
Of the bank of commerce and
development**

The Board of Directors takes great pleasure in presenting to you the fourth annual report for the year ending on 31/12/2000 which includes the bulk of its activities and the results of its operations, as well as notes on the closings of its financial accounts, which were prepared in accordance with accounting standards.

This report presented to the much esteemed stock holders is a requirement of article (572) of the Libyan commercial law and article (35) of the articles of association of the bank.

First : buildings

and branches :

In the bank's continuous pursuit of modernizing its buildings in order to match the new developments of bank buildings, to meet the bank's workload, the feasible expansion of its branch network, to enlarge the base of its services, and to own real estate and buildings; the following projects were carried out during the previous year:

1 - The purchase of a plot of land situated in Jamal Abdunnassar street, in Berka district

in Benghazi. This prominent location is very distinguished in one of the largest and most important streets in the city. On this site we began construction of a tower consisting of a lobby and seven stories. It will be used to house the bank's head office. This is a new addition to bank's fixed assets, which affirms its financial position, and employs the stockholders investment in sound assets, the value of which increase from year to year.

2 - The construction of the Tripoli main branch new building situated in Annasr street in the Abu-maliana district; contract details were finalized with one of the local contractors who have experience in bank buildings. Construction is underway and will hopefully be completed before the end of the financial year 2001.

3 - The local authorities in Al batnan agreed to allocate a plot of land for our bank in a prominent location in the city of Tobruk. It was purchased and notarized in the real estate register in the bank's name. A specialist architectural consulting concern was assigned the job of designing the building of the new Tobruk branch and the construction will hopefully commence in the near future.



4 - The Central Bank of Libya agreed to your board's decision to open a new main branch in the city of Tobruk in the Al batnan area. Office space was rented in a building owned by the Libya insurance company in the city of Tobruk. The necessary modifications were carried out on the building to suit the banking purposes and the necessary equipment, devices, safes and furniture were supplied. A branch manager was appointed for the function of managing the bank and a number of employees were selected to staff the branch. The branch is ready to be opened officially during celebrations on the occasion of the People's Authority Day in March 2001.

5 - We opened the Africa Commercial Center agency, a subsidiary to the Misurata Main branch after agreement of the Central Bank of Libya was obtained. The agency began its banking operations on 13/6/2000, and has achieved -in spite of its recent operation - lucrative profits.

6 - The Board agreed to open a branch for your bank in the city of Azzawia with view to the importance of this city's demographic density and the variety of businesses in it. Agreement was reached with the department of Real Estate in Azzawia area to allocate a large hall with a floor area of 700 square meters to house the offices of the new branch in Azzawia. We have completed the feasibility studies and applied

for the Central Bank of Libya to obtain its agreement to open and operate the branch. The branch will be equipped, furnished and staffed to conduct its business, hoping this will take place in the very near future, aiming for an opening date during the first half of 2001.

Second : the bank's

Manpower :

1 - The number of employees:

The number of employees in the bank on 13/12/2000 was (101) employees. They are distributed between the head office, the branches and agencies, with an increase of (21) employees over the previous year. This is attributable to meeting the needs of the head office and branches for employees to copy with the increase in the volume of operations in addition to opening the "Africa Commercial Center agency" in Misurata during the financial year covered by this report.

Following is a break down of the employees during the report year compared with previous years:



Location	Clerical jobs				Non clerical jobs			
	97	98	99	2000			1	2
Head office	12	13	10	16	2	2	2	2
Benghazi M. Branch	12	18	21	20	1	4	4	5
Benghazi M. Branch	16	18	16	26		1		1
Benghazi M. Branch		13	14	12				
Gout Ashaal agency			7	5				
Alforosia agency			5	8				
Africa Center agency				4				
Total :	40	62	73	91	3	7	7	10

The bank retains a number of part time employees on a fixed compensation basis, who number (24) in total. They cover the areas of legal and managerial consultancy, hospitality and cleaning workers as well as night guards distributed among the head office and the main branches.

2- The training activities:

The bank management continued its efforts aiming at offering local training opportunities to employees, based on its firm belief in to importance of training in achieving success in the banking business performance.

The number of trainees this year rose to (41 employees), compared with (25 employees) last year.

A number of bank employees were sent for training abroad for the first time this year within the framework of the allowance allotted for training abroad by the Central Bank of Libya. Reputable and well known training centers were chosen for this purpose.

Following are two tables detailing the trainees and the fields of training in the last three years:

A - Local Training Programs:

Field of Training	Number of Trainees		
	1998	1999	2000
Banking	5	11	22
Computing	1	6	3
English Language			4
Swift System			3
Banking Conferences and Seminars			9
Total :	6	25	41

B - Abroad Training Programs:

Field of Training	Number of Trainees		
	1998	1999	2000
Banking			4
S. W. I. F. T. System			4
Total :			8



3 - Employees' incentives and benefits:

The bank management continued granting incentives and benefits to employees as it did in previous years. Among these is free medical care for employees, annual bonuses according to performance and appraisal reports. The bank wide model employee selection still continues. Finally employees are collectively insured against accidental death in addition to the pension fund which represents an end of service benefit payment.

Third: technology

and services :

In addition to the distinctive banking services have been achieved during the initial period of the bank's life, such as telephone banking, which has been expanded to all the bank's branches and agencies; the bank introduced a fast and easy method money order service locally between the different cities, as well as internationally arranged with correspondent banks in various countries. During the year 2000 the bank has introduced new advanced services and modernized its equipment in all the branches and agencies. Examples of the newly introduced services:

1 - Customer Queuing System :

Appropriate equipment was fitted to organize the services to customers on first come-first served basis; utilizing a number issuing machine, and a visual as well as audible indication of the

number ready to be served on which counter. By this method customer priority is maintained. This automatic system is in operation in our main branches in benghazi, misurata and alforosia agency. It will be introduced in the tripoli main branch and the tobruk main branch when it is opened, after completing the new building.

The queuing system is a first in Libya and your bank took the initiative to introduce it. Many of our customers have shown their appreciation of the quality of the services they receive, and the feeling of respect shown by the employees to customers when no queue jumping can take place.

2 - Introducing the new credit cards and the cash machines:

Negotiations to import a new automatic electronic banking system were conducted with several companies. The objective is to introduce and expand automatic cashing services in our branches and agencies. We are at present evaluating the various offers both technically and financially. When this process is completed we will, during the year 2001 bring credit card and cash machine services in operation, 24 hours a day and 365 days a year.



3 - Upgrading the banking system:

During the second half of the year 2000 several specialist companies and international consultancy firms were invited to offer proposals for ultra modern banking systems which can cater for the increased banking workload in the bank, its branches and agencies. The present system which has been in operation since the bank was first opened on 15/6/1996, is now incapable of handling the ever increasing volume of transactions. The management is evaluating the new offers which have been obtained to replace the existing banking system. Hopefully one of the offers by an international specialist company will be selected to provide the system and train our employees and computer programmers in its use and maintenance.

4 - A banking agency for youngsters :

The agreement of the Central Bank of Libya was obtained by our bank to open a new banking agency, which will be attached to the Benghazi main branch. It will be known as the "young people's banking agency", since it will cater for this age group. The CBL's agreement was based on the comprehensive study presented by us detailing the components of this agency which are as follows:

□ A young people's library provided with magazines, periodicals, novels and books with ample seating and borrowing facilities for the agency customers.

□ An art studio fully equipped for painting, sculpture, print and exotic painting methods and materials, as well many other forms of art, for use by the agency customers who so desire.

□ A modern information technology hall, where youngsters will find computers, and Internet café, a game arcade and an educational presentations room, where customers can receive instruction and use of this facility. The cbl deserves our thanks for agreeing to allow our bank to bring this idea into reality, provided that a youngsters agency (not a branch) will be opened, however upgrading this agency to a branch will considered in the future. We view this idea from a cultural perspective as an addition to the bank's various other community responsive services. We hope to launch this new idea before the end of the year 2001 after finding the appropriate premises.



Fourth: inspection

and auditing :

Inspections and audits were performed on the bank's three main branches in Benghazi, Tripoli and Misurata and the agencies of Gout ashaal (Tripoli), Alforosia (Benghazi), and Africa Commercial Center (Misurata). The bank's commitment to maintain appropriate control over the operations of its branches and agencies manifested itself by maintaining this continuous monitoring through inspections and audits. The committees assigned to carry out this task presented their technical and administrative reports. Consequently instructions to take corrective measures and make modifications based on these reports were communicated to the branch managers and agency heads in order to put them into action to prevent their recurrence in the future.

Fifth : foreign

relations :

The bank continued to bolster its position, enhance and expand the scope of its trading and maintain strong and cooperative working relationships with many international banks, including a network of correspondent banks in many arab and foreign countries. Your bank enjoys the confidence of foreign banks, and it has been prompt in meeting its commitments toward all banks that deal with it. No problems or delays of payments to any bank have

occurred.

Your bank enjoys an excellent reputation as a pioneering banking institution in the local libyan and regional spheres, many banking services were provided to our bank by affiliated and friendly banks.

Sixth: credit :

Your Board of Directors has made a decision barring the expansion of providing credit facilities in the form of over draughts and similar credit types. It emphasized the necessity of focusing on granting credit facilities tied to the development aspects. Thus medium and long term loans were provided to establishments and corporations which provide the requisite formal documentation and feasibility studies and tangible collateral guaranteeing the banks rights when needed. During the year the bank has signed a loan contract to the national oil corporation guaranteed by the central bank of libya jointly with the other five commercial banks. This loan amounts to a total of (170,900,000 Id) one hundred and seventy million , nine hundred thousand Libyan Dinars, our bank's share of this amount is (32,000,000 Id), thirty two million Libyan Dinars. N. O. C. has withdrawn (9,362,200) during the year 2000 through the loan manager (Wahda Bank). This is one of the preferred loans which will generate guaranteed income for the bank for a period of 6 years with 6% annuity.



The Bank's Balance Sheet indicates that loans granted during the year are within (21,623,516.517 LD) compared with (13,294,893,079 LD) for the financial year 1999, with an increase of (8,328,623.438 Ld) which represents the amounts withdrawn by N. O. C. The bank did not grant any facilities worth mention during the year 2000. On the contrary the number of facilities granted in the previous years was reduced in order control the risks involved in credit by concentrating on loans to activities which have preferential guarantees and collateral and avoiding granting facilities

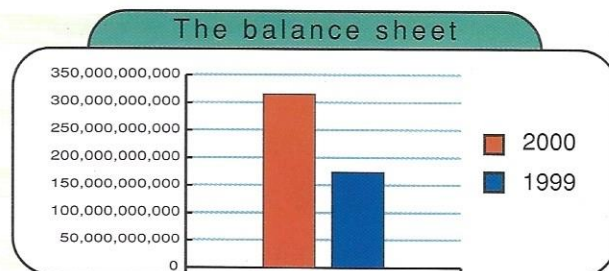
or loans where such guarantees and collateral cannot be secured. Although commercial banking is mainly geared to lending and creating credit to generate guaranteed income, our bank has been cautious and meticulous when it comes to evaluating loan or credit facility requests so that no such services are provided to customer who may become insolvent and default on their loan commitments, which will necessarily lead claims and legal action as well as retaining provisions to cover doubtful debts. The bank is so far free from these risk taking situations and problems.



The balance sheet :

The balance sheet total (the assets, liabilities and equity) on 31/12/2000 has reached (315,183,824.947 LD) against (174,411,174.798 LD) for the financial year ending on 31/12/1999, an increase of (140,772,650,.149 LD) equivalent to 80.7%.

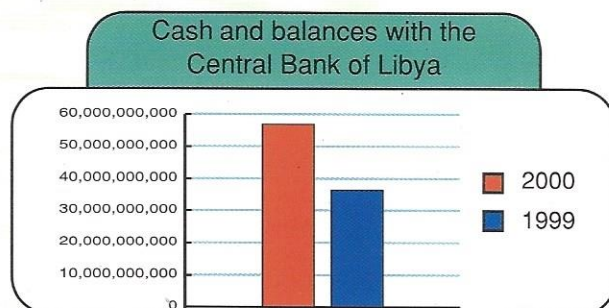
Following is disclosure of the most important balance sheet items as on 31/12/2000 compared with the figures for the year ending on 31/12/1999.



1 - Assets :

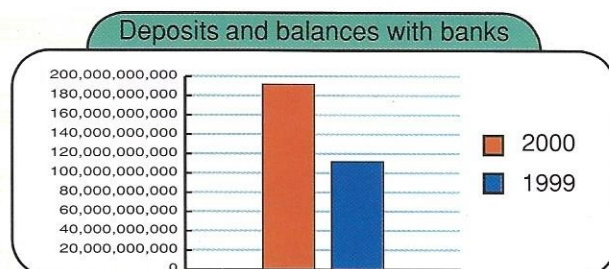
I. Cash and balances with the Central Bank of Libya:

The balance of this item on the end of the year 2000 amounted to (57,045,306.493 LD) against (36,362,725.798 LD) on 31/12/1999, an increase of (20,682,580.695 LD) equivalent to 57%.



li. Deposits and balances with banks:

The balance of current deposits (current accounts) and long term deposits with the Central Bank of Libya, the commercial banks and some foreign banks (correspondent banks) on the end of the year 2000 amounted to (192,013,090.674 LD) against (112,221,803.063 LD) on 31/12/1999, an increase of (79,791,287.611 LD) equivalent to 71%.





iii. Investments

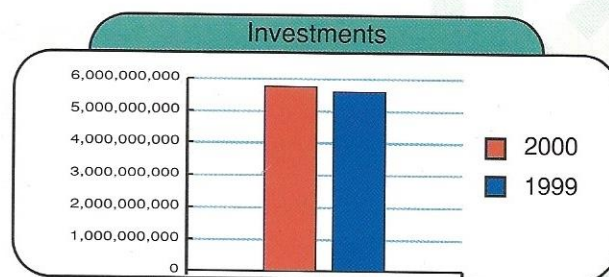
The total balance of local investment on 31/12/2000 amounted to (5,755,000.000 LD) against (5,605,000.000 LD) on 31/12/1999, an increase of (150,000.000 LD), this investment represents the following contributions in the capital of each of the following:

- Assafaa Development Company with a proportion of 10% of its capital with an amount of (500,000.000 LD) only five hundred thousand Libyan Dinars.

- Attareg Computer Services Company with a proportion of 10% of its capital with an amount of (105,000.000 LD) only one hundred and five thousand Libyan Dinars (6/10 of stock issued).

- The amount of (5,000,000.000 LD) only five million libyan dinars, invested in libyan treasury bonds which generate a legally tax exempt income of 5% annually, a lucrative and guaranteed investment.

- Contributing (150,000.000 LD) only one hundred and fifty thousand Libyan Dinars to the capital of the United Insurance Company.



iv. Loans and credit

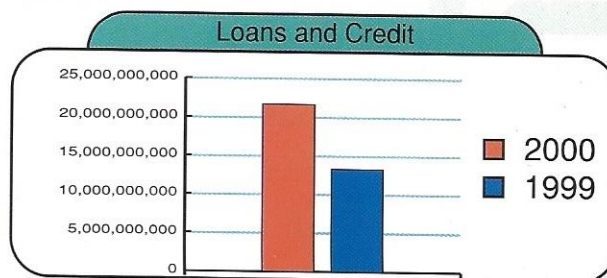
The balance of credit facilities (loans) on 31/12/2000 amounted to (21,623,516.000 LD) compared to (13,294,893.438 LD) in the year ending on 31/12/1999, an increase of (8,328,623.438 LD) equivalent to 63%, this increase is attributable to the following item:

- Granting a guaranteed medium term loan for a period of six years jointly with the five commercial banks (our share 32 million). Only the first installment was paid during 1999, amounting to (7,489,760.000 LD). This loan is lucrative, guaranteed and preferred. It generates a fixed income for a period of six years of (1,920,000.000 LD) one million nine hundred

and twenty thousand Libyan Dinars annually when all the installment are withdrawn.

- This item also includes financing some investment projects with preferred guarantees (first degree real estate mortgage, the bank as beneficiary)

These facilities generated valuable returns which appear in the interest collected from customers.

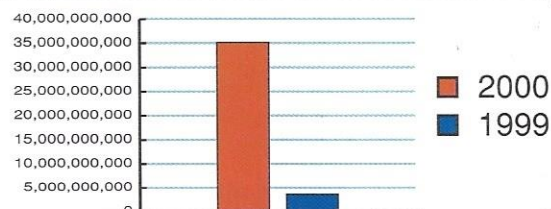




V. Accounts receivable and other receivable balances:

The accounts receivable and other receivable balances item on 31/12/2000 were (35,126,295.228 LD) against (3,620,960.276 LD) in the financial year ending on 31/12/1999, an increase of (31,505,960.276 LD), equivalent to approximately 87%.

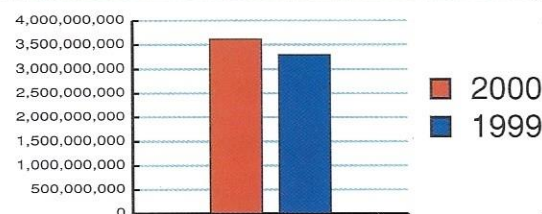
Accounts receivable and other receivable balances



Vi. Fixed assets

The fixed assets after deducting depreciation on 31/12/2000 totaled (3,620,616.035 LD) against (3,306,417.915 LD) for the financial year ending on 31/12/1999, an increase of (314,198.120). This increase represent the purchase of equipment and motor vehicles.

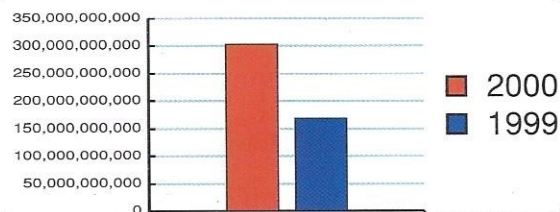
Fixed Assets



2 - Liabilities:

The total liabilities on 31/12/2000 amounted to (302,501,311.801 LD) against (168,489,154.315 LD) for the financial year ending on 31/12/1999, an increase of (134,012,157.486 LD), a ratio of increase exceeding 79.5%. Following are the most important liabilities items:

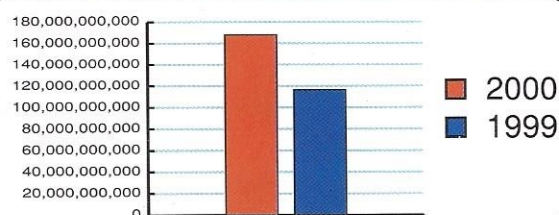
Liabilities



I. Customer deposits (current accounts):

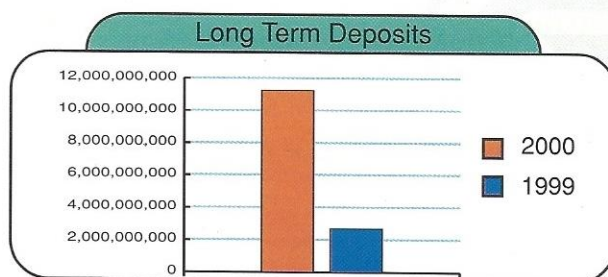
The balance of customer deposits represented by current accounts in Libyan Dinars and also in foreign currencies for natural persons and public companies and corporations and partnerships amounted to (167,816,069.381 LD) on 31/12/2000 against (116,258,955.595 LD) for the year ending on 31/12/1999, an increase of (51,557,113.787 LD), equivalent to 44% , this item's ratio to the total liabilities is 55%.

Customer Deposits (current accounts)



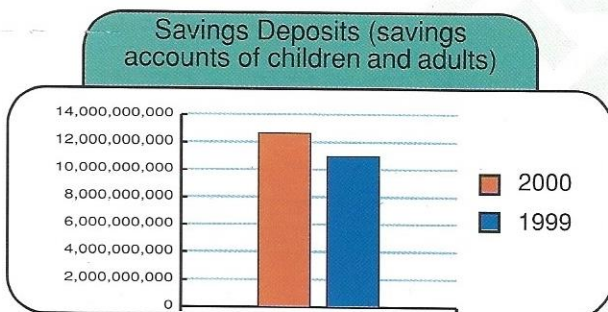
li. Long term deposits:

The long term customers' deposits on 31/12/2000 amounted to (11,270,000.000 LD) against (2,700,000.000 LD) for the year ending on 31/12/1999, an increase of (8,870,000.000 LD), equivalent to 317 %.



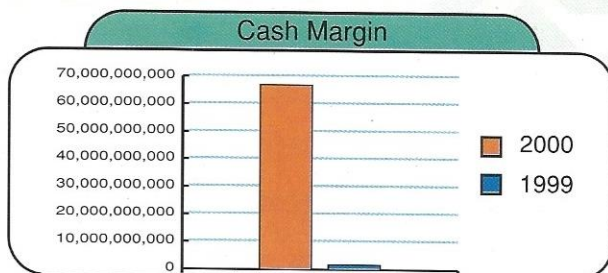
lii. Savings deposits (savings accounts of children and adults):

The balance for this item on 31/12/2000 amounted to (12,661,202.134 LD) against (11,009,769.874 LD) for the year ending on 31/12/1999, an increase of (1,651,432.260 LD) equivalent to about 15%. This increase indicates customers' interest in opening these accounts for themselves and their offspring to support saving and obtain returns on their savings, especially that the rate of interest ranges between 5% and 6% in accordance with the circulars of the Banking Control Department of the Central Bank of Libya.



Cash Margin:

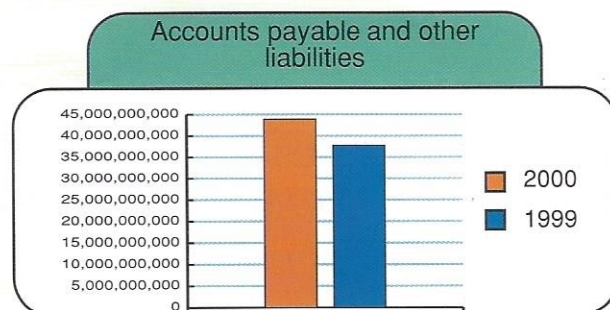
The total balance for this item on 31/12/2000 amounted to (66,875,082.350 LD) against (823,653.218 LD) for the year ending on 31/12/1999, an increase of (66,051,429.132 LD), which is attributable to the increase of the letters of credit opened during the year 2000 compared to the number opened during the year 1999, which is a large increase, indicating the quality and speed of the services provided by the bank.





Iv. Accounts payable and other liabilities:

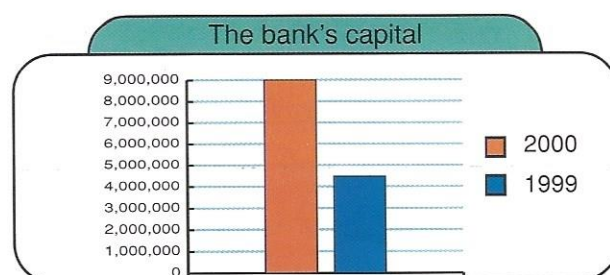
The total of this item on 31/12/2000 amounted to (43,878,957.935 Ld) against (37,696,775.628 Ld) for the year ending on 31/12/1999, an increase of (6,182,182.307 Ld), equivalent to 16%.



3 - Shareholders equity :

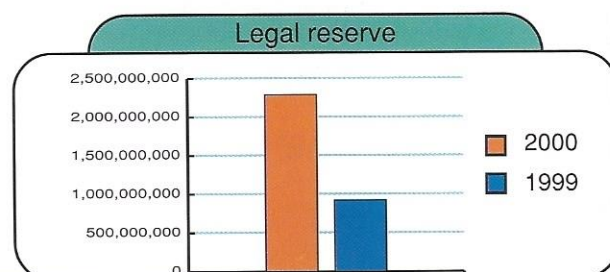
I. The bank's capital :

The bank's issued stock amounted to (9,000,000.000 LD) only nine million Libyan Dinars divided into (900,000) nine hundred thousand shares, the value of each share being 10 Libyan Dinars. During this year (2000) the unpaid balance of (4,500,000.000 LD) was paid in full. These shares are owned by (1713) shareholders both natural and legal persons (public and private).



li. Legal reserve :

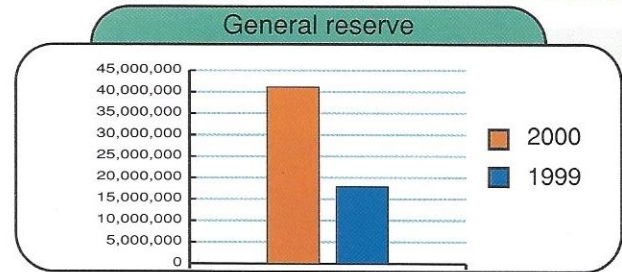
The balance of this item on 31/12/2000 amounted to (2,292,027.658 LD) against (924,644.933), An increase of (376,382.725 LD), equivalent to 148%. This legal (compulsory) reserve is in compliance with article(57) of the statute number (1) 1993 regulating banking, currency and credit which requires banks before declaring profits to post an amount not less than 50% of the net profits to the legal reserve annually, until it becomes equal to half the paid up capital, then an amount equivalent to 25% of the net profits to posted to the mentioned reserve until it becomes equal to the paid up capital.





lii. General reserve:

The general reserve on 31/12/2000 amounted to (41,102.764 LD) in increase of (18,000.000 LD) from the previous year 1999.



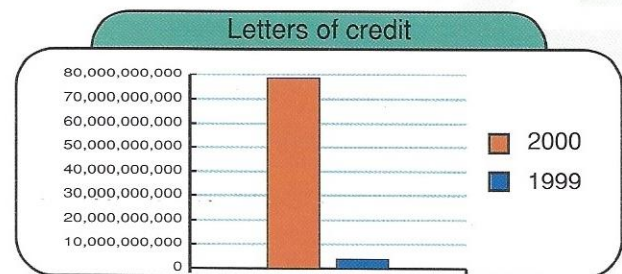
4 - Contra accounts and other

liabilities :

The total of this item on 31/12/2000 amounted to (7,704,483,117.949 LD) comprised of the following items:

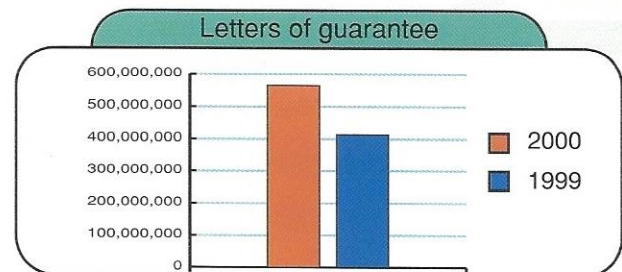
I. Letters of credit:

This balance on 31/12/2000 amounted to (78,430,167.000 LD) against (3,955,542.000 LD) on 31/12/1999.



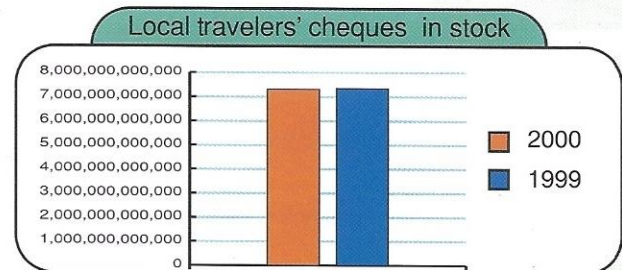
li. Letters of guarantee:

E balance of this item on 31/12/2000 amounted to (565,476.000) Against (412,421.000 LD) on 31/12/1999.



lii. Local travelers' cheques in stock:

The balance of this item on 31/12/2000 amounted to (7,310,303,650.000 LD) against (7,348,852,390.000 LD) on 31/12/1999. This balance represents the stock of local traveler's cheques in Libyan Dinars and the stock of traveler's cheques in Swiss Francs.



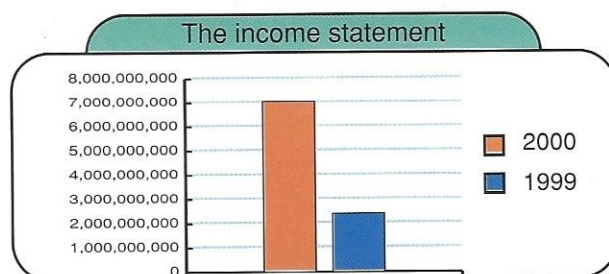


The income statement:

The profits from operations before the deduction of corporate and jihad taxes and the appropriating on 31/12/2000 amounted to (7,051,961.956 LD) against (2,415,183.001 LD) on 31/12/1999, an increase of (4,636,778.956 LD), equivalent to 192%. After the deduction of all general, administrative, depreciation and other expenses and after deducting the corporate and jihad taxes (about 63% of the net profits) which are due on the year's profits amounted to (4,317,755.653 LD) only four million, three hundred and seventeen thousand and seven hundred and fifty five Libyan Dinars and 653 dirhams. The net profits after taxes on 31/12/2000 amounted to (2,734,765.449 LD) against (948,545.571 LD) on 31/12/1999, an increase of (1,786,219.878 LD), equivalent to 19%. The year ending on 31/12/2000 was charged with an amount of (531,175.767 LD) representing :

- Buildings depreciation
58,376.870 Ld
- Equipment and machines depreciation
279,987.330 Ld
- Dividers and fixtures depreciation
32,917.170 Ld
- Furniture and steel safes depreciation
50,798.259 Ld
- Floor carpeting depreciation
2,627.431 Ld
- Motor vehicles depreciation
106,468.707 Ld

For more explanation on the components of revenue and expenses the accompanying tables and the illustrations pertaining to the income statement (nos. 16, 17, 18 And 19) may be consulted.



Proposed appropriation of the net profits:

The net profits that can be appropriated after taxes amounted to (2,734,765.449 LD) only two million seven hundred and thirty four thousand and seven hundred and sixty five Libyan Dinars and 449 dirhams. In compliance with article (57) of the statute number (1) 1993 regulating banking, currency and credit and

the bank's articles of association, 50% of the net profits every financial year shall be transferred to legal reserve, and on this basis an amount of (1,367,382.725 LD) from the net profits was allocated as a legal reserve.

The board of directors proposes to you that the remainder of the net profits amounting to (1,367,382.724 LD), be distributed as follows:

1 - Remuneration to the board of directors at 5%	68,369.136 L. D.
2 - Dividends on the shares at 12% of the paid Up capital of 9 million dinars	1,080,000.000 L. D.
3 - Various allowances	200,000.000 L. D.
4 - General reserve	18,000.000 L. D.
5 - Profits to carried forward to next year ld	1,013.588 L. D.
	1,367,382.724 L. D.

Finally the board of directors wishes to extend thanks to the Central Bank of Libya for the support and assistance which it provided. They had a great effect in the success and achievements realized by our bank. The board also takes pleasure in to extend thanks and praise to the affiliate and friendly banks inside and outside Libya. Our gratitude goes to our customers both natural and legal persons for choosing our bank to conduct their business through it, the board highly values the efforts and support provided by the shareholders and the bank owners.

The board expresses thanks and gratitude and shows full satisfaction for the performance of the bank's general management and the staff and employees in the branches and agencies who contributed with effort, experience and talent in complete sincerity and truthfulness to achieve success for this bank and realize the satisfying results attained this year 2000. Godspeed.

The board of directors

1 8 / 1 / 2 0 0 1



The balance sheet :



as at 31/12/2000 compared to 31/12/1999

		2000	1999
		L. D.	L. D.
Assets			
Cash & balances with central bank	1	57,045,306.493	36,362,725.789
Deposits & other balances due from banks	2	192,013,090.674	112,221,803.063
Investments	3	5,755,000.000	5,605,000.000
Loans and advances	4	21,623,516.517	13,294,893.079
Other assets	5	35,126,295.228	3,620,334.952
Fixed assets	6	3,620,616.035	3,306,417.915
Total assets		315,183,824.947	174,411,174.798
Liabilities & shareholders equity			
Liabilities			
Customers' current accounts	7	167,816,069.382	116,258,955.595
Customers' fixed deposits	8	11,270,000.000	2,700,000.000
Saving deposits	9	12,611,202.134	11,009,769.874
Cash margin	10	66,875,082.350	823,653.218
Other liabilities	11	43,878,957.935	37,696,775.628
Total liabilities		302,501,311.801	168,489,154.315
Shareholders equity			
Capital	12	9,000,000.000	4,500,000.000
Legal reserve	13	2,292,027.658	924,644.933
General reserve	14	41,102.764	23,102.764
Miscellaneous provisions		200,000.000	
Share holders profits and board fees	15	1,148,369.136	473,713.640
Profits carried forward		1,013.588	559.146
Total shareholder's equity		12,682,513.146	5,922,020.483
Total liabilities and shareholders equity		315,183,824.947	174,411,174.798
Contra accounts & other commitments			
Letters of credit		78,430,167.000	3,955,542.000
Letters of guarantee		565,476.000	412,421.000
Travellers cheques in stock		7,310,303,650.000	7,348,852,390.000
Total contra accounts		7,389,299,293.000	7,353,220,353.000
Grand total		7,704,483,117.947	7,527,631,527.798

(ABDUL FATTAH A. ELL FAGI)
Manager accounts department

(JAMAL T. ABDULMALEK)
Chairman & general manager

(Illustrations attached from (1) to (20))



Income statement



for the period ending on 31/12/2000 compared to 31/12/1999

		2000	1999
		L. D.	L. D.
Income			
Interest income	16		
Interest expense	17	6,752,277.020	5,674,709.769
Net interest income	18	3,317,254.262	2,370,823.404
Commission & other income		3,435,022.758	3,303,886.365
		6,471,857.901	908,294.671
		9,906,880.659	4,212,181.036
Expenses			
Administrative and general charges	19	2,323,742.937	1,444,540.706
Assets depreciation		531,175.766	352,457.329
Total of expenses		2,854,918.703	1,796,998.035
Profits before provisions jehad and company's taxes	20	7,051,961.956	2,415,183.001
Jehad and company taxes		3,317,755.653	1,466,637.430
Net profits		2,734,206.303	948,545.571
Profits b/f 1999		559.146	-----
Total net profits		2,734,765.449	948,545.571
Suggested distributes			
50% Transferred to legal reserve		1,367,382.725	474,272.785
5% Board fees		68,369.136	23,713.640
12% Profits for share holders		1,080,000.000	450,000.000
Miscellanies provisions		200,000.000	-----
General reserve		18,000.000	23,102.764
Profits c/f		1,013.588	559.146
Total		2,734,765.449	948,545.571



Explanations of the financial data

on 31/12/2000

Significant accounting

policies :

I. Foreign currencies:

Foreign currency transactions are recorded in libyan dinars on the basis of the prevailing exchange rates stipulated by the central bank of Libya at the time of the transaction. Assets and liabilities in foreign currencies are changed to Libyan dinars at the exchange prevailing on the balance sheet's date of Profits and losses resulting from evaluations and ordinary commercial activities are entered in the revenue and expenses accounts or disclosed in the balance sheet where profits are realized.

ii. Depreciation of fixed assets:

Fixed assets are disclosed on the basis of the total cost value, depreciation is calculated on the basis of the straight-line method in accordance with executive regulations of the income tax statute number(64) 1973.

iii. Investments:

Investments are recorded on the basis of cost value.

iv. Bad debts:

An allowance for the bad and doubtful debts was provided, although the granted facilities

form an insignificant amount with comparison to the total assets and interest on idle accounts-receivable are not calculated.

V. Interest collected and paid:

Interest collected and paid is calculated on the basis of their time of recognition, the collected and paid commissions are recorded in the revenue account when they are recognized.



Explanations of the financial data

on 31/12/2000

The balance sheet :

The balance sheet total for the financial year ending on 31/12/2000 amounted to 315,183,824.947 LD against 174,411,174.798 LD in the previous financial period ending on 31/12/1999, an increase of 140,772,650.149 LD, equivalent to 80.7%. Following is an explanation to some balance sheet items:

First: assets:

- Note no. (1)

The cash balance on hand and in the Central Bank on year end amounted 57,045,306.493 LD against 36,362,725.798 LD, an increase of 20,682,580.695 LD, equivalent to 57% approximately. This item includes:

Cash on hand local currency	6,710,118.822 LD
Cash on hand in foreign currency	1,487,467.363 LD
Balance in the Central Bank of Libya	46,576,444.697 LD
Local cheques under collection	2,271,275.611 LD

- Note no. (2)

Deposits with the central bank of Libya and the local and foreign banks on the end of 31/12/2000 amounted to 192,013,090.674 LD

against 112,221,803.063 LD for the year ending 31/12/1999, an increase of 79,791,287.611 LD, equivalent to 71%. This item includes :

Balance with local banks	2,232,518.363 LD
Balance with foreign banks	47,365,603.561 LD
Long term deposits with the Central Bank of Libya	85,250,000.000 LD
Long term deposits with local banks	32,350,000.000 LD
Long term deposits with foreign banks	24,814,968.750 LD

- Note no. (3)

The local investments total at the end of 2000 amounted to 5,755,000.000LD which represent investment during the year 1997, 1998 and 2000 :-

- I. Attareg Computer Services Company, 10% of its capital, i.E. An amount of 105,000.000 LD (an increase of 52,500.000 LD during the year).
- li. Assafa development company, 10% of its capital, i.E. An amount of 500,000.000 LD.
- lii. Libyan treasury bonds, an amount of 5,000,000.000 LD at an interest rate of 5% exempt of all direct and indirect taxes.
- Iv. Buying shares in the united insurance company amounting to (150,000.000 LD) only one hundred and fifty thousand Libyan Dinars.



Explanations of the financial data on 31/12/2000

- Note no. (4)

The total of loans and credit granted at the end of the year 2000 amounted to 21,623,561.517 LD against 13,294,893.079 LD on 31/12/1999, an increase of 8,328,668.438 LD, equivalent to 63%. This item includes:

Overdrawn accounts	12,137,342.517 LD
Customers loans	9,362,200.000 LD
Bank employee loans	123,974.000 LD

- Note no. (5)

The accounts receivable and other debtor balances amounted to 35,126,295.228 LD against 3,620,334.952 LD in the period ending on 31/12/1999, an increase of 31,505,960.276 LD, equivalent to 870%. This item includes:

General misc. Debtors	1,266,217.165 LD
Impersonal accounts (current assets)	66,959.075 LD
Impersonal accounts (under adjustment)	29,629,596.794 LD
Local cheques under collection	2,045,987.456 LD
Branch account with the head office	2,117,534.738 LD

- Note no. (6)

The total fixed assets balance after depreciation on the end of the year 2000

amounted to 3,620,616.035 LD against 3,306,417.915 LD for the year ending on 31/12/1999, an increase of 314,198.120 LD, equivalent to 10%. This increase represents the purchase of new equipment and motor vehicles. This item includes:

Buildings (bank premises)	58,376.870 LD
Equipment and spare parts	279,987.330 LD
Aluminum dividers and fixtures	32,917.170 LD
Furniture and steel safes	50,798.259 LD
Floor carpeting	2,627.431 LD
Motor vehicles	106,468.707 LD

The total depreciation of these items at the end of the year amounted to 531,175.767 LD, calculated on the basis of straight-line depreciation method in accordance with executive regulations of the income tax statute number (64) 1973.

- I. Buildings at 3% annually.
- li. Equipment at 10% annually.
- lii. Dividers and fixtures at 10% annually.
- lv. Floor carpeting at 10% annually.
- V. Motor vehicles at 20% annually.

Explanations of the financial data

on 31/12/2000

Second : liabilities and owners equity:

- Note no. (7)

Customers balances represented by creditor current accounts in local and foreign currencies for natural persons, public and private incorporated companies and partnership amounted to 167,816,069.382 LD at the end of the year 2000 against 116,258,955.595 LD for the year ending on 31/12/1999, an increase of 51,557,113.787 LD, equivalent to 44%. Following is a detail of the contents of this item:

Current accounts for establishments and public companies

18,670,308.265 LD

Current accounts for incorporated companies and partnerships

22,663,462.148 LD

Current accounts for natural persons

123,691,513.769 LD

Accounts for companies and individuals in foreign currencies

2,672,985.931 LD

Idle current accounts

21,067.130 LD

Current accounts for companies under association

96,732.139 LD

- Note no. (8)

Customers deposited at the end of the year amounted to 11,270,000.000 LD against 2,700,000.000 LD on 31/12/1999, an increase of 8,570,000.000 LD, equivalent to 317% approx.

- Note no. (9)

Children's and adults savings balances at the end of the year amounted to 12,661,202.134 LD against 11,009,769.874 LD on 31/12/1999, an increase of 1,651,432.260 LD, equivalent to 15%. The interest rate ranges between 5% and 6% in accordance with the circulars of the banking control department of the Central Bank of Libya.

- Note no. (10)

The cash margin balance for confirmed letters of credit and local letters of guarantee for some industrial and contractors sectors and shipping companies at the end of the year amounted to 66,875,082.350 LD against 823,653.218 LD on 31/12/1999, an increase of 66,051,429.132 LD, equivalent to 802%. These were as follows:

Cash margin for letters of credit

66,723,774.950 LD

Cash margin for letter of guarantee

151,307.400 LD



Explanations of the financial data on 31/12/2000

- Note no. (11)

The creditors and other liabilities at the end of the year amounted to 43,878,957.935 LD against 37,696,775.628 LD for the year ending on 31/12/1999, an increase of 6,182,182.307 LD, equivalent to 17%. This item includes:

Misc. Creditors (general)

1,802,247.416 LD

Impersonal accounts (current liabilities)

36,232,810.219 LD

Impersonal accounts (under adjustment)

5,110,581.579 LD

Tax allowance on bank profits

733,318.721 LD

The tax allowance on bank profits includes accrued on the previous year 1999, in addition to the current liabilities item, which includes the accrued expenses for lighting, water, post, fax, telephone, the fees for legal auditors, the installment of the new banking system and publicity and advertising expenses.

- Note no. (12)

Shareholders equity at end of the year 2000 amounted to 12,682,513.146 LD against 5,922,020.483 LD on 31/12/1999, an increase of 6,760,492.663 LD, equivalent to 114%. The increase resulted from the completion of the capital, the balance of which became 9 million

dinars, the legal reserve, the profits posted for the shareholders and the board members' remuneration according the bank's articles of association, as follows:

I. The authorized capital in accordance with the articles of association amounts to 9,000,000.000 LD (only nine million LD) divided into 900,000 shares. It has been paid up in full before 31/12/2000. These shares are owned by (1713) share holders both natural and legal persons (public and private).

- Note no. (13)

li. The legal reserve on 31/12/2000 amounted to 2,292,027.658 LD against 924,644.993 LD on 31/12/1999, an increase of 1,367,382.725 LD as stipulated by laws and regulation; to withhold 50% of the net profits to for the legal reserve until it equals half the capital then 25% of the net profits is withheld for the legal reserve until it equals the paid up capital.

- Note no. (14)

C. The general reserve amounted to 41,102.764 LD, an increase of 18,000.000 LD during the year 2000.



Explanations of the financial data

on 31/12/2000

- Note no. (17)

The total paid interest at the end of the year amounted to 3,317,254.262 LD against 2,370,823.404 LD, an increase of 946,430.858 LD, equivalent to 40%. This item includes interest paid for customers deposits and savings accounts, interest paid to branches and other miscellaneous as follows :

Long term interest

329,236.182 LD

Savings accounts interest

621,974.849 LD

Interest paid on the current

88,564.372 LD

Interest of the branches and agencies

2,277,478.859 LD

Notes 16 and 17 above indicate that the value of collected interest from the branches and agencies is exactly the same as the value of paid to them for their creditor accounts with the head office.

- Note no. (18)

Commissions and other income :

This item totaled an amount of 6,471,857.901 LD at year end against 908,294.671 LD on the end of the previous financial year, an increase of 5,563,563.230 LD, equivalent to 613%. This

item includes commissions collected on letters of credit, local money orders and letters of credit, currency differential from foreign operations, revenue from the sale of foreign currency and other miscellaneous revenues:

Commission received 2,377,793.003 LD

Exchange gain 15,982.094 LD

Other income 4,055,223.287 LD

Traveler's cheques, telephone banking

And credit card revenues 22,859.517 LD

- Note no. (19)

General and administrative expenses

This item totaled an amount of 2,854,918.703 LD at year end against 1,796,998.035 LD for the previous financial year, an increase of 1,057,920.668 LD, an increase of 59%. This item includes the following :

Employees related expenses

899,263.716 LD

Other administrative expenses

1,394,479.221 LD

External auditors fees

30,000.000 LD

Depreciation of assets

531,175.766 LD



Explanations of the financial data

on 31/12/2000

- Note no. (20)

Corporate and jihad tax calculations for the
banks profits on 31/12/2000 :

Head office profits	22,965.925 LD
Benghazi main branch profits	1,643,438.965 LD
Tripoli main branch profits	3,624,492.550 LD
Misurata main branch profits	630,155.138 LD

Gout ashaal agency profits (tripoli)	397,500.993 LD
Alforosia agency profits (benghazi)	379,318.762 LD
Africa center agency (misurata)	354,961.623 LD
Total profits	7,051,961.956 LD

Income tax accrued on profits:

Discription		Tax per.	Tax amount
10,000.000 LD		20 %	2,000.000 LD
20,000.000 LD		25 %	5,000.000 LD
30,000.000 LD		30 %	9,000.000 LD
40,000.000 LD		40 %	16,000.000 LD
50,000.000 LD		45 %	22,000.000 LD
(+) 6,901,961.956 LD	remaining		
(-) 250,000.000 LD	minus interest on treasury bond for yr 2000		
<u>6,651,961.956 LD</u>		60 %	<u>3,991,177.174 LD</u>
	Corporate taxes		<u>4,045,677.174 LD</u>
7,051,961.956	Total profits		
(-) 250,000.000 LD	minus interest on treasury bonds		
<u>6,801,961.956</u>	Jihad tax	4 %	<u>272,078.479 LD</u>
	Total corporate tax and jihad tax		<u>4,317,755.653 LD</u>



Report of the auditors to the Shareholders of the Bank of Commerce and Development, Benghazi

Date: 21 / 2 / 2001

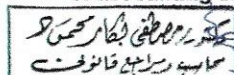
We have audited the balance sheet of bank of commerce and development as at 31 / 12 / 2000 and the related income statement .

These financial statements are the responsibility of the bank's board of director's .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 plan and perform our 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 believe that our audit provides a reasonable basis for our opinion.

In our opinion, statements present a true and fair view of the financial position of the Bank as of 31/ 12/ 2000, and of the results of its operations of the year then ended according to the presentation and the accounting policies that the Bank follows.

We also confirm, that in our opinion, the financial statements are in agreement with the books of accounts which prepared in accordance of accounting standards and accordance of the Libyan laws.


(Dr. Mustafa Baccar Mohmoudi)

Authorized Accountant and Auditor


(Mohammed Bashir Elbargatbi)

Authorized Accountant and Auditor


(Ibrahim Al-Baruni)

Authorized Accountant and Auditor

