

## BEST BANK IN LEBANON

UNANIMOUSLY FROM THE MOST IMPORTANT INTERNATIONAL INSTITUTIONS



BANK OF THE YEAR IN LEBANON - 2013



BEST BANK IN LEBANON - 2014



BEST BANK IN LEBANON - 2014



BEST BANK IN LEBANON - 2013

MOST INNOVATIVE BANK IN THE MIDDLE EAST 2013



BANK OF THE YEAR IN THE MIDDLE EAST - 2014



BEST BANK - 2014

## Financial Results for the Third Quarter of the Year 2014\*

Balanced growth in net profit and all balance sheet items  
with priority to control banking risks

<b>Total assets</b>	<b>USD 27.5 billion</b> , an increase of USD <b>1.8</b> billion
<b>Customers' deposits</b>	<b>USD 23.7 billion</b> , an increase of USD <b>1.4</b> billion
<b>Shareholders' equity</b>	<b>USD 2.5 billion</b> , an increase of USD <b>251</b> million
<b>Loans &amp; advances to customers</b>	<b>USD 7.0 billion</b> , an increase of USD <b>734</b> million

### High net profit, high return and the lowest operating costs:

<b>Increase in net profit for the third quarter of the year to</b>	<b>USD 269 million</b>
<b>High return on shareholders' equity (ROE common)</b>	<b>15.3%</b>
<b>The lowest cost to income ratio among Lebanese banks**</b>	<b>39.2%</b>

While maintaining high ratios of capital adequacy,  
liquid assets and coverage of non-performing loans:

<b>A high capital adequacy ratio (Basel III)</b>	<b>17.5%</b> (required ratio 8%)
<b>A high liquid assets / customers' deposits ratio</b>	<b>65%</b>
<b>A high coverage of non-performing loans (monetary provisions)</b>	<b>77%</b>
<b>after accounting for real guarantees reaches to (excluding collective provisions)</b>	<b>134%</b>

\* Compared to third quarter of the year 2013

\*\* listed

## Financial Results for the Third Quarter of the Year 2014

**Balanced growth in net profit and all balance sheet accounts  
with priority to control banking risks**

### Consolidated Statement of Financial Position

Assets (In USD Thousand)	30/09/2014 Unaudited	31/12/2013 Audited
Cash and balances with the Central Banks	8,675,455	6,532,058
Banks and financial institutions	2,713,591	2,934,295
Due from head office, parent, and sister banks/companies	-	-
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	64,648	68,828
Derivative financial instruments	58,116	41,533
Shares and securities designated at FVTPL	97,365	94,923
Financial assets designated at FVTPL	469,066	531,453
out of which : Loans and advances designated at FVTPL	-	-
Loans and advances to customers designated at Amortised Cost <sup>(1)</sup>	6,948,365	6,325,971
Loans and advances to related parties designated at Amortised Cost	16,233	18,854
Bank acceptances	95,146	58,509
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	4,921	4,279
Financial assets classified at Amortised Cost	7,809,961	9,030,542
Investment and loans to related parties	-	-
Assets taken in recovery of debt	13,719	15,598
Tangible fixed assets	396,936	355,579
Intangible fixed assets	1,751	1,951
Other assets	100,235	98,571
Goodwill	34,662	35,710
<b>Total Assets</b>	<b>27,500,170</b>	<b>26,148,654</b>

(1) After taking into consideration total provisions amounting to USD 301,975 thousand and USD 307,564 thousand as at 30/09/2014 and 31/12/2013 respectively, from total loans and advances to customers according to IAS 39. Out of which collective provisions stood at USD 106,779 thousand and USD 102,842 thousand as at 30/09/2014 and 31/12/2013 respectively.

## Consolidated Statement of Financial Position

Liabilities (In USD Thousand)	30/09/2014 Unaudited	31/12/2013 Audited
Due to Central Banks	212,877	96,176
Due to banks & financial institutions and repurchase agreements	414,115	521,417
Due to head office, parent, and sister banks / companies	-	-
Derivative financial instruments	33,565	47,323
Financial liabilities designated at FVTPL	-	2,011
out of which : Customers' Deposits at FVTPL	-	2,011
Customers' deposits at Amortised Cost	23,584,260	22,470,202
Related parties' deposits at Amortised Cost	121,678	100,194
Debt issued and other borrowed funds	-	-
Engagements by acceptances	95,146	58,509
Other liabilities	434,894	410,529
Provisions for risks and charges	94,527	93,473
Liabilities related to non-current assets held for sale	-	-
<b>Total Liabilities</b>	<b>24,991,062</b>	<b>23,799,834</b>
<b>Shareholders' Equity</b>		
Share capital - Common Shares	171,144	171,144
Share capital - Preferred Shares	15,920	15,920
Share premium on common shares	248,132	248,132
Share premium on preferred shares	184,080	184,080
Non distributable reserve (Legal and Obligatory)	611,191	538,819
Distributable free reserve	323,787	298,151
Treasury shares	(33,845)	(57,843)
Retained earnings	740,435	608,638
Reserves for revaluation variance-real estate	9,769	9,769
Fair value for financial assets at FVTOCI	432	-
Foreign currency translation reserve	(87,804)	(65,735)
Profit of the financial period - Profit / (Loss)	-	-
Non-controlling interests	64,828	52,297
out of which : Profit allocated to non-controlling interests	8,275	6,990
Results of the financial period - Profit / (Loss)	261,039	345,448
<b>Total Shareholders' Equity</b>	<b>2,509,108</b>	<b>2,348,820</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>27,500,170</b>	<b>26,148,654</b>

## Consolidated Statement of Financial Position

Off Financial Position (In USD Thousand)	30/09/2014 Unaudited	31/12/2013 Audited
<b>Financing commitments</b>		
Financing commitments issued	117,160	89,062
Financing commitments received from financial intermediaries	59,736	65,787
Commitments to lend	262,524	208,936
<b>Guarantees</b>		
Guarantees given to financial intermediaries	60,918	47,593
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	21,240	82,669
out of which: credit derivatives	-	-
Guarantees given to customers	449,896	432,240
Guarantees received from customers	11,725,197	10,659,448
<b>Commitments on financial assets</b>		
Financial assets to receive	-	-
out of which: financial assets sold with an option to repurchase	-	-
Financial assets to deliver	-	-
out of which: financial assets bought with an option to resell	-	-
<b>Operations in foreign currencies</b>		
Foreign currencies to receive	6,188,503	3,557,124
Foreign currencies to deliver	6,171,497	3,558,980
<b>Commitments on term financial instruments</b>	<b>637,824</b>	<b>599,755</b>
<b>Other commitments</b>	<b>70,064</b>	<b>62,402</b>
<b>Fiduciary deposits</b>	<b>140,678</b>	<b>193,896</b>
Under specific instructions	140,678	193,896
Under discretionary investments	-	-
<b>Financial assets under management</b>	<b>7,473,910</b>	<b>5,302,494</b>
<b>Mutual Funds</b>	-	-
<b>Financial assets linked to indices and financial derivatives</b>	-	-
<b>Bad loans fully provided for and transferred to off balance sheet</b>	<b>115,114</b>	<b>79,473</b>

## Consolidated Income Statement

(In USD Thousand)		30/09/2014 Unaudited	30/09/2013 Unaudited
	For the period ended		
Interest and similar income		1,063,906	998,767
Interest and similar charges		645,545	600,963
<b>Net interest income</b>		<b>418,361</b>	<b>397,804</b>
Fees and commission income		121,910	107,703
Fees and commission expense		20,277	18,001
<b>Net Fees and commission income</b>		<b>101,633</b>	<b>89,702</b>
Net gain / loss on financial assets & liabilities designated at fair value through profit & loss		52,544	72,879
out of which : Net gain / loss on Interest Income		8,919	10,718
Net gain / loss on financial operations		27,740	46,813
Other operating income		9,341	8,189
<b>Total operating income</b>		<b>609,619</b>	<b>615,387</b>
Credit loss expense		(29,645)	(65,202)
out of which : Credit loss for financial instruments at amortized cost		-	-
Provisions for impairment losses on other financial investments		-	537
<b>Net operating income</b>		<b>579,974</b>	<b>550,722</b>
Personnel charges		142,363	135,321
General and other operating expenses		85,464	77,987
Depreciation of tangible fixed assets		15,177	13,963
Amortization of intangible fixed assets		816	817
Provisions for impairment loss of goodwill		-	-
<b>Total operating expenses</b>		<b>243,820</b>	<b>228,088</b>
<b>Net operating profit</b>		<b>336,154</b>	<b>322,634</b>
Share of profit of associate		-	-
Net profit / loss from sale or disposal of other assets		373	334
<b>Net profit before taxes</b>		<b>336,527</b>	<b>322,968</b>
Income tax		67,213	60,257
<b>Operating profit after tax</b>		<b>269,314</b>	<b>262,711</b>
Net profit after tax from non-current assets held-for-sale and discontinued operations		-	-
<b>Net profit</b>		<b>269,314</b>	<b>262,711</b>
<b>Attributable to equity holders of the parent</b>		<b>261,039</b>	<b>255,128</b>
<b>Attributable to non-controlling interests</b>		<b>8,275</b>	<b>7,583</b>
EPS (Basic)		USD 1.19	USD 1.17
EPS (Diluted)		USD 1.19	USD 1.17