

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2013

CAPITAL LBP 689,113,000,000 FULLY PAID,
TOTAL EQUITY 2,897,954,000,000 | C.R.B.14150,
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT



BYBLOS BANK SAL

BOARD OF DIRECTORS

Dr. François S. Bassil | Chairman & General Manager

Mr. Semaan F. Bassil | Vice-Chairman & General Manager

H.E. Mr. Sami F. Haddad | Director *

H.E. Mr. Arthur G. Nazarian | Director

Baron Guy Quaden | Director

Proparco represented by

Mrs. Marie Helene Loison | Director

Dr. Henry Toufic Azzam | Director

Mr. Bassam A. Nassar | Director

Mr. Faysal M. A. Tabsh | Director

Mr. Ahmad T. Tabbarah | Director

Mr. Alain C. Tohmé | Director

Mr. Abdulhadi A. Shayif | Director

AUDITING FIRMS

Ernst & Young | **Messrs Semaan, Gholam & Co.**

(*) Following the resignation of H.E. Mr. Sami F. Haddad, the General Assembly of Shareholders elected Mr. Des O'Shea to the Board of Directors on 9 May 2014.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	31-DEC-13	31-DEC-12
ASSETS		
Cash and balances with central banks	5,809,930	5,507,572
Due from banks and financial institutions	3,353,314	3,216,533
Loans to banks and financial institutions and reverse repurchase agreements	614,866	458,707
Financial assets given as collateral	7,005	8,923
Derivative financial instruments	3,824	12,174
Financial assets at fair value through profit or loss	157,447	300,909
Net loans and advances to customers at amortized cost*	6,782,036	6,195,104
Net loans and advances to related parties at amortized cost	18,546	15,815
Debtors by acceptances	445,957	316,232
Financial assets at fair value through other comprehensive income	86,895	78,663
Financial assets at amortized cost	10,198,193	9,145,626
Property and equipment	243,230	265,394
Intangible assets	811	970
Assets obtained in settlement of debt	36,379	33,202
Other assets	107,835	94,385
TOTAL ASSETS	27,866,268	25,650,209
(*) After Deducting:		
Reserved Interest on sub-standard, doubtful, and bad loans	(81,854)	(71,348)
Specific Provisions for doubtful and bad loans	(213,603)	(167,778)
Provisions Based on Collective Assessment	(130,669)	(112,733)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31-DEC-13	31-DEC-12
LIABILITIES AND EQUITY		
LIABILITIES		
Due to central banks	51,502	17,918
Due to banks and financial institutions	1,392,562	1,327,047
Derivative financial instruments	3,063	8,613
Customers' deposits at amortized cost	21,986,338	19,967,531
Deposits from related parties at amortized cost	248,324	208,102
Debt issued and other borrowed funds	506,489	508,711
Engagements by acceptances	445,957	316,232
Other liabilities	195,704	262,888
Provision for risks and charges	138,375	130,465
Subordinated notes	412,368	410,896
TOTAL LIABILITIES	25,380,682	23,158,403
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital – Common ordinary shares	684,273	684,273
Share capital – Preferred shares	4,840	4,840
Share premium – Common ordinary shares	229,014	229,014
Share premium – Preferred shares	588,671	586,259
Non distributable reserves	672,318	568,145
Distributable reserves	97,253	99,659
Other equity instruments	-	14,979
Treasury shares	(10,054)	(25,302)
Retained earnings	52,118	74,024
Revaluation reserve of real estate	5,689	5,689
Change in fair value of financial assets at fair value through other comprehensive income	(16,644)	(23,634)
Net results of the financial period - profit	224,683	246,450
Foreign currency translation reserve	(123,650)	(92,762)
	2,408,511	2,371,634
NON-CONTROLLING INTEREST	77,075	120,172
TOTAL EQUITY	2,485,586	2,491,806
TOTAL LIABILITIES AND EQUITY	27,866,268	25,650,209

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013 (LBP millions)

	Banks	Customers	Total
31-Dec-13			
Guarantees and contingent liabilities			
Financial guarantees	-	172,986	172,986
Other guarantees	413,441	1,065,181	1,478,622
	413,441	1,238,167	1,651,608
Commitments			
Documentary credits	442,552	342,448	785,000
Undrawn credit lines	-	2,261,687	2,261,687
	442,552	2,604,135	3,046,687
31-Dec-12			
Guarantees and contingent liabilities			
Financial guarantees	-	186,703	186,703
Other guarantees	418,220	972,462	1,390,682
	418,220	1,159,165	1,577,385
Commitments			
Documentary credits	378,108	480,514	858,622
Undrawn credit lines	-	2,248,925	2,248,925
	378,108	2,729,439	3,107,547

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BYBLOS BANK S.A.L.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2013 (LBP millions)

	31-DEC-13	31-DEC-12
Interest and similar income	1,295,959	1,274,746
Interest and similar expense	(945,955)	(884,216)
NET INTEREST INCOME	350,004	390,530
Fee and Commission income	154,040	149,819
Fee and Commission expense	(15,047)	(14,120)
NET FEES AND COMMISSIONS INCOME	138,993	135,699
Net gain from financial instruments at fair value through profit or loss	86,098	88,078
Revenue from financial assets at fair value through comprehensive income	1,144	4,491
Net gain from sale of financial assets at amortized cost	79,862	65,995
Other operating income	19,382	24,451
TOTAL OPERATING INCOME	675,483	709,244
Net credit loss	(79,132)	(86,797)
NET OPERATING INCOME	596,351	622,447
Personnel expenses	(162,226)	(154,321)
Depreciation of property and equipment	(27,218)	(31,123)
Amortisation of intangibles assets	(159)	(159)
Other operating expenses	(126,961)	(139,891)
TOTAL OPERATING EXPENSES	(316,564)	(325,494)
OPERATING PROFIT	279,787	296,953
Net gain on disposal of fixed assets	21	-
PROFIT BEFORE TAX	279,808	296,953
Income tax expense	(44,359)	(44,691)
PROFIT FOR THE PERIOD	235,449	252,262
Attributable to:		
Equity holders of the parent	224,683	246,450
Non-controlling interests	10,766	5,812
	235,449	252,262
Earnings per share		
Equity shareholders of the parent	LL	LL
Basic earnings per share	313.68	352.70
Diluted earnings per share	298.02	337.32

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BYBLOS BANK SAL

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013 (LBP millions)

	31-DEC-13	31-DEC-12
Profit for the period	235,449	252,262
Other comprehensive income (loss)		
Items to be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of foreign operations	(61,299)	(109,946)
Net other comprehensive loss to be reclassified to the income statement in subsequent periods	(61,299)	(109,946)
Items not to be reclassified to the income statement in subsequent periods:		
Net unrealized loss from financial instruments at fair value through other comprehensive income	8,222	(3,605)
Income tax effect on components of other comprehensive income	(1,232)	527
Re-measurement gain on defined benefit plan	6,990	(3,078)
	2,741	-
Net other comprehensive income (loss) not to be reclassified to the income statement in subsequent periods	9,731	(3,078)
Other comprehensive loss for the year, net to tax	(51,568)	(113,024)
Total comprehensive income for the year, net to tax	183,881	139,238
Attributable to:		
Equity holders of the parent	203,526	181,939
Non-controlling interests	(19,645)	(42,701)
	183,881	139,238

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BYBLOS BANK SAL

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2013 (LBP millions)

	31-DEC-13	31-DEC-12
OPERATING ACTIVITIES		
Profit before tax	279,808	296,953
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	27,377	31,282
Provision for loans and advances and direct write offs, net	80,448	107,229
Write-back of provision for other doubtful bank accounts, net	(897)	(942)
Provision for financial assets at amortized cost, net	(419)	(19,490)
Loss on disposal of fixed assets	21	-
Gain on disposal of assets taken in settlement of debt	(5,791)	(4,613)
Provisions for risks and charges, net	14,399	2,468
Unrealized fair value gains on financial instruments at fair value through profit or loss	(4,520)	(4,361)
Realized gains from financial instruments	(76,407)	(75,747)
Derivative financial instruments	2,800	(5,552)
Operating profit before working capital changes	316,819	327,227
Changes in operating assets and liabilities		
Due from central banks	(490,715)	(1,957,792)
Due to central banks	32,792	763
Due from banks and financial institutions	(13,231)	35,274
Financial assets given as collateral	1,918	(3)
Financial assets at fair value through profit or loss	144,527	(31,587)
Due to banks and financial institutions	(33,291)	(23,314)
Net loans and advances to customers and related parties	(670,112)	(275,828)
Assets obtained in settlement of debt	(5,687)	(286)
Proceeds from sale of assets obtained in settlement of debt	8,301	7,149
Other assets	(9,587)	(3,049)
Customers' and related parties' deposits	2,059,029	979,684
Other liabilities	(99,068)	1,433
Cash from (used in) operations	1,241,695	(940,329)
Provision for risks and charges paid	(3,748)	(1,445)
Taxation paid	(47,788)	(51,014)
Net cash from (used in) operating activities	1,190,159	(992,788)
INVESTING ACTIVITIES		
Financial assets at amortized cost	(972,286)	(452,840)
Financial assets at fair value through other comprehensive income	(10)	(5,179)
Loans to banks and financial institutions and reserve purchase agreements	(156,159)	208,781
Purchase of property and equipment and intangible assets	(18,674)	(29,919)
Proceeds from sale of property and equipment	195	278
Net cash used in investing activities	(1,146,934)	(278,879)
FINANCING ACTIVITIES		
Debts issued and other borrowed funds	(2,222)	(153,579)
Subordinated notes	1,472	135,251
Treasury shares	(6)	151
Dividends paid to equity holders of the parent (net)	(160,837)	(160,841)
Dividends paid to non-controlling interest	(3,209)	(3,306)
Net cash used in financing activities	(164,802)	(182,324)
Net effect of foreign exchange rates	(43,725)	(75,040)
DECREASE IN CASH AND CASH EQUIVALENTS	(165,302)	(1,529,031)
Cash and cash equivalents at 1 January	4,621,087	6,150,118
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4,455,785	4,621,087
Operational cash flows from interest and dividends		
Interest paid	(925,827)	(881,733)
Interest received	1,306,114	1,269,069
Dividend received	1,715	5,043