2013
ANNUAL REPORT

RESULTS THAT MATTER

BLCbank
FRANSABANK GROUP

We deliver what matters

INTRODUCTION

Effective corporate governance is an essential part of the Bank's identity. It relates mainly to the internal means by which BLC Bank is operated and controlled. We believe that good corporate governance is a critical factor in achieving business success and we are committed to adhere to best practices in corporate governance in fulfilling our responsibilities towards all stakeholders: shareholders, customers, employees, suppliers and regulators.

VISION

To be a reference in the financial services industry making complex banking simple and bringing the best to you.

MISSION

Provide a wide range of state-of-the-art, innovative and competitive financial products and services, in a simple and efficient way, leveraging innovation, technology, professionalism and excellence, in order to deliver what matters to our customers, shareholders, employees and community.

CORE VALUES

We do what we say
We do it with integrity
We are performance driven
We promote gender equality
We are responsible corporate citizens.

FOUR PILLARS

Innovation **Technology**

Professionalism **Excellence**

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Chairman's Letter

The year 2013 marked once again BLC Bank's position as a pioneer in innovative banking services and products, reconfirming its strategic vision of becoming the Bank of Reference in Lebanon.

BLC Bank proved that it is a leading player in its commitment to quality of service, the women's market, innovation and SMEs, accordingly, its market share in Kafalat continues to be significant.

In addition, for the 2nd consecutive year, BLC Bank honored entrepreneurship and reaffirmed its position as a strong advocate for Lebanese SMEs. In this context, the Bank launched the Brilliant Lebanese Awards on national television, an event that was crowned with the announcement of the winners of the Business of the Year, Woman Entrepreneur of the Year and People's Choice Award.

The above success is translated into a huge growth in the balance sheet figures during the last 6 years:

- Total assets tripled during the last seven years, to reach $ 5.1 billion as at 31.12.2013 compared to $1.7 billion in 2007.
- Customers' deposits almost tripled to reach $4.3 billion as at 31.12.2013 compared to $1.5 billion in 2007
- Net loans grew by 10 times to reach $ 1.9 billion as at 31.12.2013 compared to $191 million in 2007.
- The Bank's equity also increased significantly to reach 441 million in 2013, compared to $128 million in 2007

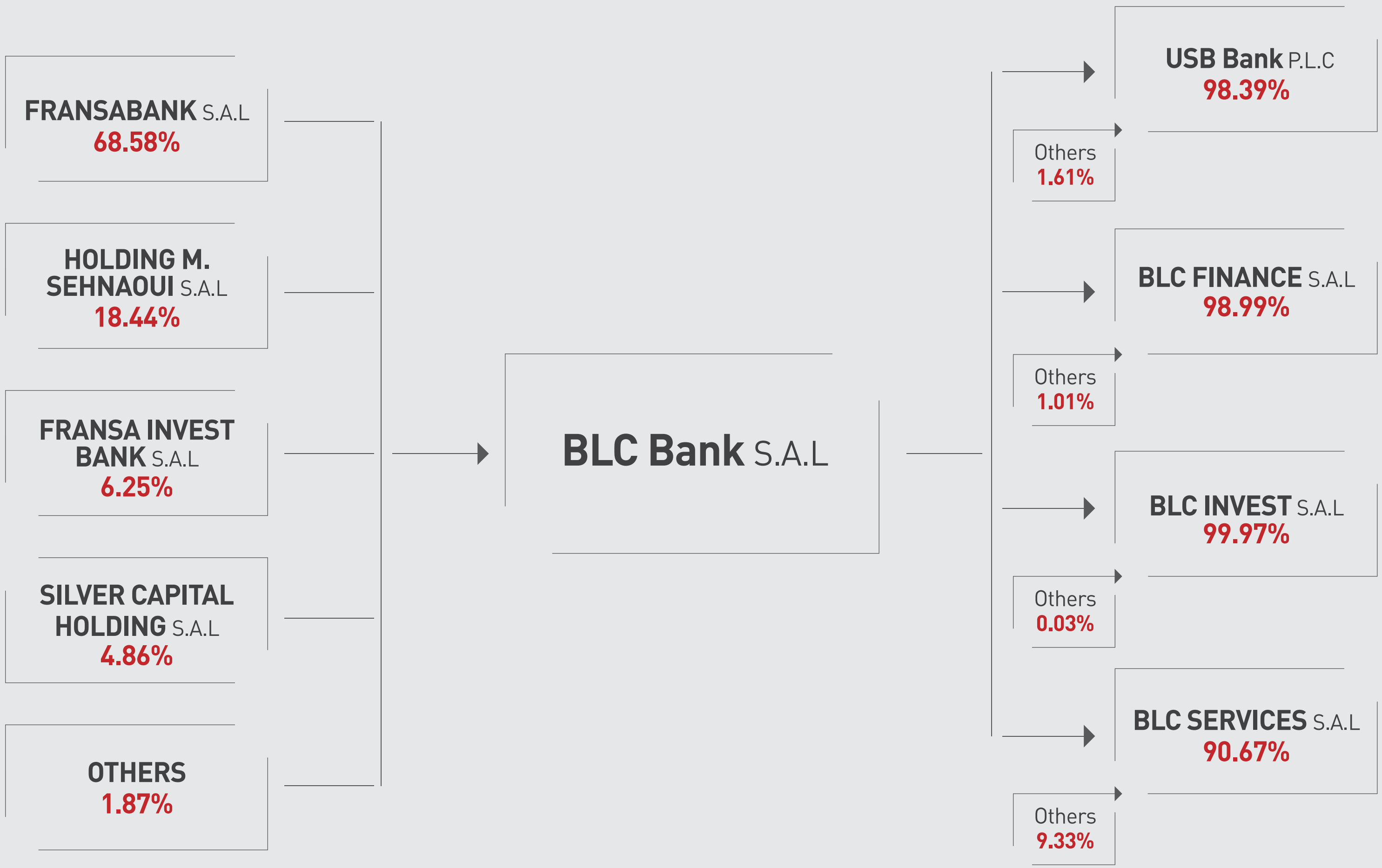
I would like to highlight a new addition to the Bank's current innovative products and services, the implementation of HEY!, a new means of payment via mobile. With Hey!, we have succeeded in creating an absolutely independent and autonomous product.

Last but not least, as a responsible corporate citizen, BLC Bank, being committed to its employees, clients and the community, became the first bank in the Middle East to adopt an ERP (Emergency Response Plan) with the standards used by Oil & Gas companies.

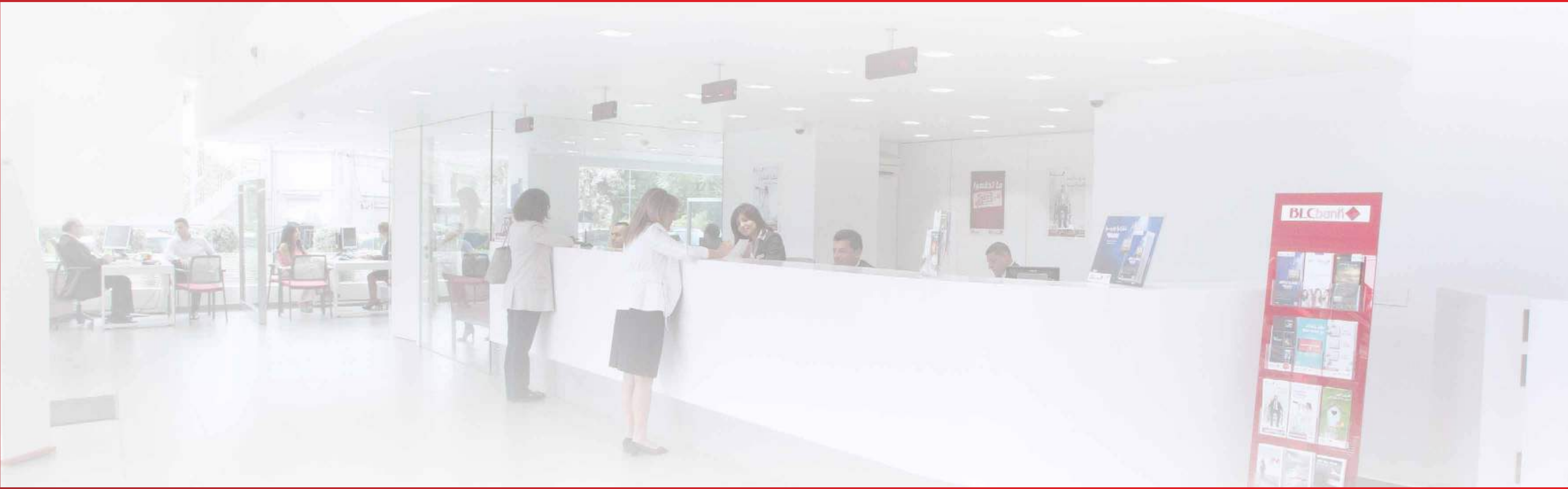
I conclude (and reiterate) by warmly thanking all the women and men of BLC Bank for their drive, their dedication, their diligence and certainly for their efficiency. Without them, and without their adherence to out ambitious strategy, there would be no possible success.

Maurice SEHNAOUI
Chairman General Manager

Shareholders Structure



CORPORATE GOVERNANCE



Board Of Directors

BLC BANK S.A.L

Chairman General Manager:
Mr. Maurice Sehnaoui

Vice Chairman, General Manager:
Mr. Nadim Kassar

Members:
Mr. Adnan Kassar
Mr. Adel Kassar
Mr. Nabil Kassar
Me. Walid Daouk
Mr. Nazem El Khoury
Mr. Mansour Bteish
Mr. Raoul Nehme (General Manager)
Me. Walid Ziadé
Me. Ziyad Baroud
Mr. Henri De Courtivron

Secretary to the Board:
Me. Michel Tueni

External Auditors:
Deloitte & Touche
DFK Fiduciaire du Moyen Orient


Maurice SEHNAOUI


Nadim KASSAR


Adnan KASSAR

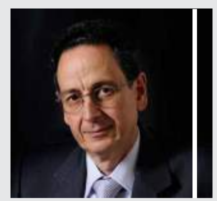

Adel KASSAR


Nabil KASSAR

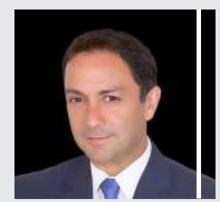

Walid DAOUK

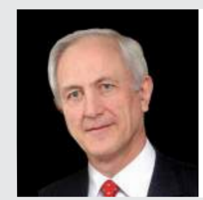

Nazem El KHOURY


Mansour BTEICH


Raoul NEHME


Walid ZIADE


Ziyad BAROUD


Henri De COURTIVRON

As of May 2014

Biographies

Mr. Maurice Sehnaoui

With over 30 years of visionary leadership, Maurice Sehnaoui, is a pioneer in the Lebanese Banking Sector and a major contributor to the Lebanese economy with his commitment to support the pillars that lay the foundation for socio-economic development such as SMEs, women and corporate social responsibility. He was a former Minister of Energy and Water from 2004 to 2005. He is on the Board in a number of companies and owns a large real estate portfolio including select buildings in the Beirut City Center.

Mr. Sehnaoui is the Chairman of the board of directors and General Manager of BLC Bank SAL since 2008, his bold and dynamic strategic direction led the Bank to become an Alpha Bank in less than 5 years. Born in 1943, he holds a degree in Economics from the Saint Joseph University of Beirut. He is Chevalier of the French "Legion d'Honneur" and Officer of the French "Ordre National du Mérite".

Mr. Nadim Kassar

Mr. Nadim Kassar is the Vice-Chairman and General Manager of BLC Bank SAL. He holds currently the following positions: General Manager of Fransabank SAL, Founder and Board Member of Fransa Invest Bank SAL (FIB), Founder and Chairman of Fransabank Al Djazaïr SPA, Board Member of the Association of Banks in Lebanon since 2001, Board Member of USB Bank PLC, Board Member of Lebanese International Finance Executives (LIFE), Co-Manager of A.A. Kassar (France) SARL and General Manager of A.A. Kassar SAL. Mr. Kassar also is a Board Member of the following institutions: MasterCard Incorporated Asia, Pacific, Middle East & Africa, SAMEA Regional Board of Directors since 2005, NetCommerce, Interbank Payment Network, IPN SAL, Credit Card Management, Founder and Board Member of the American Lebanese Chamber of Commerce. He holds as well the position of Deputy Chairman of Société Financière du Liban.

His social activities includes the Makassed Philantropic Islamic Association in Beirut as a Member of the Board of Trustees, a Member of the Lebanese-Chinese inter-parliamentary friendship committee, a Member of the Lebanese-Tunisian friendship committee and Treasurer of the Comité des Proprietaires-Ouyoun As Simane.

Mr. Kassar is born in 1964 and holds a Bachelor's degree in Business Administration from the American University of Beirut.

Mr. Adnan Kassar

Mr. Adnan Kassar is the Chairman and CEO of Fransabank Group. In 1980, he and his brother Adel acquired Fransabank and have led the Bank ever since. He is also a member of the Board of Directors of Fransabank (France) SA, and Fransabank Syria SA, the Chairman of the Supervisory Board of Fransabank OJSC in Belarus and a board member of BLC Bank SAL.

Mr. Kassar also served as Minister of Economy and Trade in Lebanon from 2004 to 2005 and Minister of State in Lebanon from 2009 to 2011. He was the first Arab businessman elected Chairman of the International Chamber of Commerce and headed the World Business Organization from 1999 to 2000. In 1972, Mr. Kassar was elected as the President of the Lebanese Federation of Chambers of Commerce, Industry, and Agriculture in Lebanon and continued to head the Federation for three decades.

Currently, Mr. Kassar serves as the President of the Lebanese Economic Organizations and is the Honorary Chairman of the General Union of Chambers of Commerce, Industry, and Agriculture of the Arab Countries.

Mr. Kassar has received global awards and high distinguished decorations from many Heads of States and International Organizations with the latest in 2014 being the Oslo Business for Peace Award.

Born in 1930, Mr. Kassar holds a Bachelor's degree in Lebanese Law from Université Saint Joseph and an honorary doctorate from the Lebanese American University.

Mr. Adel Kassar

Mr. Adel Kassar's career spans over more than six decades. He currently leads as the Deputy Chairman and Chief Executive Officer of Fransabank SAL and the Chairman of the Board of Directors of Fransabank (France) SA and Fransabank Syria SA.

He is also Chairman of the Board of Directors and General Manager of Bancassurance SAL and Lebanese Leasing Company SAL. He is a member of the Supervisory Board of Fransabank OJSC in Belarus and member of the Board of Directors of BLC Bank SAL. He is a former Chairman of the Banks Association in Lebanon and the Honorary Consul General of the Republic of Hungary in Lebanon.

Born in 1932, Mr. Kassar holds a degree in Lebanese and French Law from Université Saint Joseph.

Mr. Nabil Kassar

Mr. Nabil Kassar holds several high positions in leading financial institutions. He is currently the Secretary General of Fransabank SAL and the Chairman of the Board of Directors of Fransa Invest Bank SAL and Fransa Land SAL.

Mr. Kassar is also a member of the Board of Directors of BLC Bank SAL, United Real Estate Investment Co. SAL, Bancassurance SAL, BLC Invest SAL, Fransabank Syria SAL, and Fransabank Group (Cyprus).

Born in 1970, Mr. Kassar holds a Bachelor's degree in Law from Université Saint Joseph.

Me. Walid Daouk

Me. Walid Daouk is an accomplished lawyer in Lebanon specializing in commercial, civil, and property laws. In 1981, he started his practice as associate in Takla, & Trad law firm thereafter became a partner and Vice Chairman of the International Affairs Commission at the Beirut Bar Association, in 2005, followed by becoming a member of its Arbitration Commission, in 2008.

In 2011, he was appointed Minister of Information and per interim Minister of Justice until 2014.

Today, Me. Daouk is a member of the Board of numerous local and international banking, real estate trading, and insurance corporations, including Fransabank SAL (Lebanon), Fransabank (France) SA, Fransabank El Djazaïr SPA (Algeria), BLC Bank SAL (Lebanon), USB Bank PLC (Cyprus), Tourism and Hotel Development Company SAL, Beirut Waterfront Development SAL, among many others.

In 1994, he was appointed the Commissioner of the Lebanese Government at the Beirut Stock Exchange.

Twenty years ago, Me. Daouk was one of the founders of Ajialouna and has been a member of its Board of Trustees ever since, followed by joining the board of Dar Al Aytam in 2005. He is also a member of the board of Trustees of three major education institutions in Lebanon: College Louise Wegman since 2005, International College since 2009, and Université Saint Joseph since 2012.

He was appointed member of the Board of Directors of the Council for Development and Reconstruction of Lebanon (CDR 2001-2004).

Born in 1958, Daouk holds a Bachelor's degree in Lebanese Law and a Master's degree in French Law from Université Saint Joseph and a degree in Business Management from Beirut University College.

Mr. Nazem El Khoury

Mr. Nazem El Khoury served as a Parliament Member from 2000 till 2005. Three years later, he was appointed Political Advisor to the President of the Republic of Lebanon, and in 2011, he was assigned Minister of Environment. Mr. El Khoury was also the Coordinator of the Steering Committee for the National Dialogue.

Currently, he is the Founder of Harbour Insurance Company and Chairman of the Tourism and Hotel Development Company SAL and BLC Services SAL. He is also a Board Member of BLC Bank SAL and Stow Capital Partners.

Mr. El Khoury was Former Chairman of Lebanon-German Insurance Company and BLC Finance and former Board Member of Al Ahli International Bank.

Parallel to his business and political work, Mr. El Khoury was heavily engaged in social and academic activities. He was on the Board of Trustees of several educational institutions, such as the Lebanese American University, YMCA, Notre Dame University, and the American University of Science and Technology. Mr. El Khoury also served as former Vice President of the Lebanese Cooperative for Development and former member of the board of directors of the Lebanese Red Cross and Caritas.

Born in 1946, Mr. El Khoury holds a Bachelor's degree in Political Sciences and Public Administration from the American University of Beirut, as well as an Insurance Diploma from the Chartered Insurance Institute in London.

Mr. Mansour Bteish

Mr. Mansour Bteish joined Fransabank SAL in 1974. Over the course of three decades, Mr. Bteish held various management positions and headed major Central Departments until he was appointed General Manager of Fransabank SAL in 2005.

Mr. Bteish is currently a member of the Board of Directors of several subsidiaries in Lebanon and abroad, including Fransa Invest Bank, BLC Bank SAL, BLC Invest, Lebanese Leasing Company, Fransabank (France), Fransabank El Djazaïr SPA (Algeria), USB Bank PLC (Cyprus), and United Capital Bank (Sudan).

Born in 1954, Mr. Bteish holds a Bachelor's degree in Business Administration and a Master's degree in Money and Banking from Université Saint Joseph.

Mr. Raoul Nehme

Mr. Raoul Nehme is the General Manager of BLC Bank SAL. He is a board member of several companies in Lebanon and abroad, namely USB Bank PLC (Cyprus), BLC Invest SAL, Sehnaoui Plant SAL, Holding M&N Sehnaoui, Holding M. Sehnaoui, and Holding Al Mouna SAL.

Mr. Nehme's commitment to sustainable development led him to be the Founder and President of Jouzour Loubnan, a non-profit organization whose mission is to participate in the restoration of Lebanese woodland and to promote sustainable forestation in the arid regions of Lebanon.

Mr. Nehme had formerly joined Nipson Printing Systems SA, Groupe Bull (USA & France) in 1982. Nine years later, he was appointed President of Nipson Printing Systems Inc. in the United States.

Born in 1956, Mr. Nehme holds Engineering degrees from Ecole Polytechnique de Paris with a major in Economics and from Ecole des Mines de Paris with a major in Management.

Me. Walid Ziadé

Me. Walid Ziadé is a renowned lawyer in corporate and commercial law with first-hand experience in banking, financial investment, and real estate. He runs Boutros, Ziadé & Associates Law Firm as Managing Partner. He is also a member of the Beirut Bar Association and a board member of several companies, namely BLC Bank SAL, BLC Invest SAL, and BLC Finance SAL.

Born in 1971, Me. Ziadé holds a degree in Law from Université Saint Joseph and a degree in Business Administration and Management from Ecole Supérieur de Commerce de Paris (ESCP).

Me. Ziyad Baroud

Me. Ziyad Baroud is the former Minister of Interior and Municipalities (MoIM) of the Republic of Lebanon from 2008 till 2011. Under his leadership, the MoIM was awarded the 2010 United Nations Public Service Award First Prize.

Prior to his appointment as Minister, Me. Baroud held a number of leading positions. He was elected in 2004 Secretary General of the Lebanese Association for Democratic Elections. In 2005, he was a Member of the Lebanese National Commission on Electoral Law. He has served as a Board Member of the Lebanese Chapter of Transparency International since 2006. He is also on the Board of the Lebanese Center for Policy Studies and Notre Dame University.

Me. Baroud has received several awards, including the "Grand Officier de L'Ordre National du Cèdre", "Grand Officier de L'Ordre National du Mérite de la République Française", the International Foundation for Electoral Systems (IFES) 2010 Manatt Democracy Award for his commitment to freedom and democracy, the "Officier de la Légion d'Honneur" by the French President Nicolas Sarkozy, and the "Commandeur de Numéro de l'Ordre Civil du Mérite" by the King of Spain Juan Carlos I.

A court lawyer by practice, Managing Partner at HBD-T Law Firm and arbitrator, Me. Baroud held a number of academic posts as lecturer at Université Saint Joseph and has a number of publications on subjects related to local governance, decentralization, human rights, and other political and legal issues. He also worked as a Senior Advisor with Booz and Co. and is the consultant to various UN Agencies in Lebanon.

Born in 1970, Me. Baroud has a law degree from Université Saint Joseph and pursued his doctoral studies in Paris.

Mr. Henri De Courtivron

Mr. Henri De Courtivron has over of 40 years of experience in business and finance. He joined Indosuez Bank in 1977 and was appointed at various management positions within the international network of the Bank in Singapore and in London and seconded to its affiliate Bank in Saudi Arabia, Banque Saudi Fransi, before returning to the Head Office in Paris.

In 2007, he became General Manager of Fransabank (France) SA and held this role for over six years. Currently, he serves as a member of the Bank's Board, the Chairman of the Audit Committee and a member of the Corporate Governance Committee.

Born in 1950, Mr. De Courtivron graduated from Ecole Supérieure de Commerce de Paris and holds a degree in Economic Sciences from PARIS X University.

Other Boards

USB BANK P.L.C.

Chairman:
Mr. Maurice Sehnaoui

Members:
Mr. Nadim Kassar
Mr. Raoul Nehme
Mr. Nabil Kassar
Mr. Walid Daouk
Mrs. Tania Moussallem
BLC Bank S.a.l. Represented By
Mr. Youssef Eid
Fransabank S.a.l. Represented By
Mr. Adel Kassar
Fransa Invest Bank S.a.l. Represented By
Mr. Mansour Bteish
Mr. Philippos Philis
Mr. George Stylianou
Mr. Andreas Theodorides
Mrs. Despo Polycarpou
Mr. George Galatariotis
Mr. Agis Taramides

Secretary to the Board:
Mr. Andreas Theodorides

External auditors:
Deloitte Limited

BLC FINANCE S.A.L

Chairman:
Mr. Shadi Karam

Members:
BLC Bank S.a.l. Represented By
Mr. Maurice Sehnaoui
Holding M. Sehnaoui S.a.l. Represented By
Mr. Maurice Sehnaoui
Me. Walid Daouk
Dr. Youssef Sarrouh
Me. Walid Ziadé

Secretary to the Board:
Me. Michel Tueni

External auditors:
Deloitte & Touche

BLC SERVICES S.A.L

Chairman General Manager:
Mr. Nazem El Khoury

Members:
BLC Bank S.a.l. Represented By
Mr. Maurice Sehnaoui
Holding M. Sehnaoui S.a.l. Represented By
Mr. Maurice Sehnaoui
Me. Walid Daouk
Me. Walid Ziadé
Mr. Khaled Salman

Secretary to the Board:
Me. Michel Tueni

External auditors:
Deloitte & Touche

BLC INVEST S.A.L

Chairman General Manager:
Mr. Maurice Sehnaoui

Vice Chairman General Manager:
Mr. Nadim Kassar

Members:
Me. Walid Daouk
Mr. Nabil Kassar
Mr. Mansour Bteish
Mr. Raoul Nehme
Me. Walid Ziadé
Dr. Youssef Sarrouh

Secretary to the Board:
Me. Rawi Kanaan

External auditors:
Deloitte & Touche

As of June 2013

Board Committees

The Board of directors is ultimately responsible for the conduct of the Bank's affairs, but for greater efficiency Board Committees have been set up with formally delegated objectives, authorities, responsibilities and tenure in the form of board committee charters or terms of reference.

These committees serve to improve the efficiency of the work of the Board of Directors and deal with complex issues. Each committee has its specific charter, below is a list of committees & their members.

The Board of Directors has established the following committees in order to assist the board in discharging its responsibilities:

1.1- Executive Committee
1.2- Audit Committee
1.3- Risk Management Committee
1.4- Corporate Governance Committee
1.5- Board Credit Committee
1.6- Remuneration Committee

1.1- Executive Committee

1	**Chairman & General Manager**	**Maurice Sehnaoui**	Chairperson & Voting Member
2	**Vice Chairman & General Manager**	**Nadim Kassar**	Voting Member
3	**General Manager**	**Raoul Nehme**	Voting Member-Secretary
4	**Executive Board Member**	**Mansour Bteish**	Voting Member

1.2- Audit Committee

1	**Independent Board Member**	**Henri De Courtivron**	Chairperson & Voting Member
2	**Non-Executive Board Member**	**Walid Daouk**	Voting Member
3	**Non-Executive Board Member**	**Nabil Kassar**	Voting Member
4	**Non-Executive Board Member**	**Walid Ziadé**	Voting Member
5	**Head of Internal Audit**	**Alexander Zgheib**	Non-voting Member- Secretary

1.3- Risk Management Committee

1	**Independent Board Member**	**Nazem El-Khoury**	Chairperson & Voting Member
2	**General Manager**	**Raoul Nehme**	Voting Member
3	**Executive Board Member**	**Mansour Bteish**	Voting Member
4	**Non-Executive Board Member**	**Walid Daouk**	Voting Member
5	**Group Chief Risk Officer - Fransabank**	**Mona Khoury**	Non-voting Member
6	**Head of Risk Group (OR)**	**Georges Baz (OR)**	Non-voting Member-Secretary
	Deputy Head of Risk Group	**Carlos Lebbos**	

1.4- Corporate Governance Committee

1	**Independent Board Member**	**Ziyad Baroud**	Chairperson & Voting Member
2	**Independent Board Member**	**Henri De Courtivron**	Voting Member
3	**Non-Executive Board Member**	**Walid Daouk**	Voting Member
4	**Non-Executive Board Member**	**Walid Ziadé**	Voting Member-Secretary

1.5- Board Credit Committee

1	**Chairman & General Manager**	**Maurice Sehnaoui**	Chairperson & Voting Member
2	**Executive Board Member (Vice Chairman & General Manager Fransabank)**	**Adel Kassar**	Voting Member
3	**Vice Chairman & General Manager**	**Nadim Kassar**	Voting Member
4	**General Manager**	**Raoul Nehme**	Voting Member-Secretary
5	**Executive Board Member**	**Mansour Bteish**	Voting Member

1.6- Remuneration Committee

1	**Independent Board Member**	**Ziyad Baroud**	Chairperson & Voting Member
2	**Independent Board Member**	**Henri De Courtivron**	Voting Member
3	**Non-Executive Board Member**	**Walid Daouk**	Voting Member
4	**Non-Executive Board Member**	**Walid Ziadé**	Voting Member-Secretary

As of November 2014

Management Committees

The Bank's Management Committee is responsible for the daily operations of the Bank guided by internal policies and the interest of the Bank and its stakeholders.

In order to divide the workload of overseeing the Bank's operations and to discharge certain statutory responsibilities, several Committees were formed where decisions are made taking into account the participants' recommendations.

These committees are executive in nature aiming mainly to ensure a balanced approach to running the institution and avoiding excessive concentration of power in individuals or functions.

2.1- Management Committee
2.2- Central Credit Committee
2.3- Junior Credit Committee
2.4- Watch List Committee
2.4.1- Structure-Corporate
2.4.2- Structure-Retail
2.5- Recovery Committee
2.6- Junior Recovery Committee
2.7- Real Estate Committee
2.8- Assets & Liabilities Committee
2.9- Working Assets & Liabilities Committee
2.10- Affiliate Affairs Committee
2.11- Operational Risk Management Committee
2.12- Credit and Financial Risk Committee
2.13- IT Security Committee
2.14- Compliance Committee
2.15- IT Coordination Committee
2.16- Information Technology Committee
2.17- Products Committee
2.18- Human Resources Committee
2.19- Confirmation Committee
2.20- Disciplinary Committee
2.21- Purchasing Committee
2.22- Innovation Committee
2.23- Corporate Social Responsibility Committee

For a comprehensive listing of our human resources capital, please refer to our website on http://www.blcbank.com/departments

2.1- Management Committee

1	General Manager	Raoul Nehme	Chairperson
2	Advisor to the Vice Chairman & General Manager	Bassam Hassan	
3	Advisor to the General Manager	Elie Azar	
4	Head of Corporate Group	Joseph Baddour	
5	Head of Risk Group	Georges Baz	
6	Head of Retail Group	Youssef Eid	
7	Head of Marketing & Support Groups	Tania Moussallem	
8	Head of Financial Management & Accounting Group (CFO)	Hani Denawi	
9	Head of Treasury & Financial Markets Group	Naji Echo	
10	Head of Marketing Group	Maya Margie	
11	Head of Human Resources Group	Souheil Youness	
12	Head of Internal Audit	Alexander Zgheib	
13	Head of Special Assignments	Youmna Ziade	Secretary

2.2- Central Credit Committee

1	Vice Chairman & General Manager	Nadim Kassar	Chairperson & Voting Member
2	General Manager	Raoul Nehme	Voting Member
3	Executive Board Member (General Manager - Fransabank)	Mansour Bteish	Voting Member
4	Head of Marketing & Support Groups	Tania Moussallem	Voting Member
5	Head of Corporate Group (OR)	Joseph Baddour (OR)	Voting Member
	Head of Retail Group (OR)	Youssef Eid (OR)	
	Head of Treasury & Financial Markets Group	Naji Echo	
6	Consultant / Corporate Group	Antoine Asmar	Voting Member
7	Head of Risk Group	Georges Baz	Voting Member
8	Deputy Head of Risk Group	Carlos Lebbos	Non-Voting Member-Secretary

As of November 2014

2.3- Junior Credit Committee

1	Head of Marketing & Support Groups	Tania Moussallem	Chairperson & Voting Member
2	Consultant / Corporate Group	Antoine Asmar	Vice-Chairperson & Voting Member
3	Head of Corporate Group (OR)	Joseph Baddour (OR)	Voting member
	Head of Retail Group (OR)	Youssef Eid (OR)	
	Head of Treasury & Financial Markets Group	Naji Echo	
4	Head of Risk Group	Georges Baz	Voting Member
5	Deputy Head of Risk Group	Carlos Lebbos	Non-Voting Member
6	Head of Credit & Financial Risk	Rabih Abi Ammar	Non-Voting Member-Secretary

2.4- Watch List Committee

2.4.1- Structure-Corporate

1	General Manager	Raoul Nehme	Chairperson & Voting Member
2	Head of Risk Group	Georges Baz	
3	Head of Corporate Group	Joseph Baddour	
4	Head of Credit Administration & Information	Gisele Abi Rached	
5	Deputy Head of Risk Group	Carlos Lebbos	
6	Head of Credit & Financial Risk	Rabih Abi Ammar	
7	Head of Special Sector Enterprises	Ghosny Dagher	
8	Head of Credit Control & BASEL Implementation	Maya Mikhael	Secretary

2.4.2- Structure-Retail

1	Head of Retail Group	Youssef Eid	Chairperson & Voting Member
2	Head of related department/branch		Voting Member
3	Deputy Head of Risk Group	Carlos Lebbos	Voting Member
4	Head of Credit & Financial Risk	Rabih Abi Ammar	Voting Member
5	Head of Credit Administration & Information	Gisele Abi Rached	Voting Member
6	Head of Credit Control & BASEL Implementation	Maya Mikhael	Non-Voting Member-Secretary

2.5- Recovery Committee

1	Vice Chairman & General Manager	Nadim Kassar	Chairperson & Voting Member
2	General Manager	Raoul Nehme	Voting Member
3	Head of Risk Group	Georges Baz	Voting Member
4	Head of Recovery	Lama Ghoutaymi	Voting Member
5	Deputy Head of Risk Group	Carlos Lebbos	Non-Voting Member-Secretary

2.6- Junior Recovery Committee

1	Head of Risk Group	Georges Baz	Chairperson & Voting Member
2	Head of Recovery	Lama Ghoutaymi	Voting Member
3	Deputy Head of Risk Group	Carlos Lebbos	Non-Voting Member-Secretary

2.7- Real Estate Committee

1	Vice Chairman & General Manager	Nadim Kassar	Chairperson & Voting Member
2	General Manager	Raoul Nehme	Voting Member
3	Head of Risk Group	Georges Baz	Voting Member
4	Head of Real Estate	Joseph Chamoun	Voting Member
5	Deputy Head of Real Estate	Raymond Lahoud	Voting Member
6	Deputy Head of Risk Group	Carlos Lebbos	Non-Voting Member-Secretary

2.8- Assets & Liabilities Committee

1	**General Manager**	**Raoul Nehme**	Chairperson &Voting Member
2	**Executive Board member (General Manager - Fransabank)**	**Mansour Bteish**	Voting Member
3	**Head of Financial Management & Accounting Group (CFO)**	**Hani Denawi**	Voting Member
4	**Head of Financial Control & Accounting Department-Fransabank**	**Nabih Saddy**	Voting Member
5	**Head of Treasury Department-Fransabank**	**Nabil Tannous**	Voting Member
6	**Group Chief Risk Officer-Fransabank**	**Mona Khoury**	Non-Voting Member
7	**Deputy Head of Risk Group**	**Carlos Lebbos**	Non-Voting Member
8	**Head of Treasury & Financial Markets Group**	**Naji Echo**	Voting Member-Secretary

2.9- Working Assets & Liabilities Committee

1	**General Manager**	**Raoul Nehme**	Chairperson &Voting Member
2	**Head of Financial Management & Accounting Group (CFO)**	**Hani Denawi**	Voting Member
3	**Deputy Head of Risk Group**	**Carlos Lebbos**	Non-Voting Member
4	**Head of Treasury & Financial Markets Group**	**Naji Echo**	Voting Member-Secretary
5	**Deputy Head of Treasury**	**Jean Wakim**	Non-Voting Member

The Chairperson may, as he sees fit, invite the Head of Treasury of Fransabank SAL or his assistant to attend without any voting right.

2.10- Affiliate Affairs Committee

1	**General Manager**	**Raoul Nehme**	Chairperson &Voting Member
2	**Executive Board Member (General Manager - Fransabank)**	**Mansour Bteish**	Voting Member
3	**Head of Marketing & Support Groups**	**Tania Moussallem**	Voting Member
4	**Head of Financial Management & Accounting Group (CFO)**	**Hani Denawi**	Voting Member
5	**Head of Financial Control & Accounting Department - Fransabank**	**Nabih Saddy**	Voting Member
6	**Head of International-Fransabank**	**Georges Andraos**	Non-Voting Member
7	**Deputy Head of Risk Group**	**Carlos Lebbos**	Non-Voting Member-secretary
8	**Head of Internal Audit**	**Alexander Zgheib**	Non-Voting Member

2.11- Operational Risk Management Committee

1	**General Manager**	**Raoul Nehme**	Chairperson &Voting Member
2	**Head of Marketing & Support Groups**	**Tania Moussallem**	Voting Member
3	**Head of Risk Group**	**Georges Baz**	Voting Member
4	**Deputy Head of Risk Group**	**Carlos Lebbos**	Voting Member
5	**Head of Operational Risk**	**Carlos Lebbos (Acting)**	Voting Member
6	**Head of IT Security**	**Eve-Marie Saba**	Voting Member-Secretary
7	**Head of Internal Audit**	**Alexander Zgheib**	Non-Voting Member

2.12- Credit and Financial Risk Committee

1	General Manager	Raoul Nehme	Chairperson &Voting Member
2	Head of Risk Group	Georges Baz	Voting Member
3	Head of Financial Management & Accounting Group (CFO)	Hani Denawi	Voting Member
4	Deputy Head of Risk Group	Carlos Lebbos	Voting Member
5	Head of Credit & Financial Risk	Rabih Abi Ammar	Voting Member-Secretary

2.13- IT Security Committee

1	General Manager	Raoul Nehme	Chairperson &Voting Member
2	Head of Risk Group	Georges Baz	Voting Member
3	Head of Marketing & Support Groups	Tania Moussallem	Voting Member
4	Deputy Head of Risk Group	Carlos Lebbos	Voting Member
5	Head of IT Security	Eve-Marie Saba	Voting Member-Secretary
6	Chief Information Officer	Pierrot Atallah	Voting Member
7	Head of Security Department & Business Continuity-Fransabank	Adel Moubarak	Voting Member
8	Senior IT Auditor	Said Ramadan	Non-Voting Member

2.14- Compliance Committee

1	General Manager	Raoul Nehme	Chairperson &Voting Member
2	Head of Marketing & Support Groups	Tania Moussallem	Voting Member
3	Head of Risk Group	Georges Baz	Voting Member
4	Deputy Head of Risk Group	Carlos Lebbos	Non-Voting Member
5	Head of Internal Audit	Alexander Zgheib	Non-Voting Member
6	Head of Treasury & Financial Markets Group	Naji Echo	Voting Member
7	Head of Retail Group	Youssef Eid	Voting Member
8	Head of Corporate Group	Joseph Baddour	Voting Member
9	Head of Operations	Georges Nammour	Voting Member
10	Head of Compliance	Fouad Khalife	Voting Member-Secretary

2.15- IT Coordination Committee

1	BLC Bank Board Member & Secretary General-Fransabank	Nabil Kassar	Chairperson
2	General Manager	Raoul Nehme	
3	Advisor to the vice Chairman & General Manager	Bassam Hassan	
4	Head of Marketing & Support Groups	Tania Moussallem	
5	Chief Information Officer	Pierrot Atallah	Secretary
6	Head of Operational Risk & IT security	Eve-Marie Saba	
7	Head of Security-Fransabank	Adel Moubarak	
8	Head of E-Banking-Fransabank	Wissam Ali-Hassan	
9	Head of Organization-Fransabank	Pierre Posbic	
10	Group Chief Information Officer-Fransabank	Roland Tabib	

2.16- Information Technology Committee

1	General Manager	Raoul Nehme	Chairperson & Voting Member
2	Head of Marketing & Support Groups	Tania Moussallem	Voting Member
3	Advisor to the vice Chairman & General Manager	Bassam Hassan	Voting Member
4	Head of Organization	Maya Wakim	Voting Member
5	Chief Information Officer	Pierrot Atallah	Voting Member-Secretary
6	Head of IT Security	Eve-Marie Saba	Non-Voting Member

2.17- Products Committee

1	General Manager	Raoul Nehme	Chairperson & Voting Member
2	Head of Marketing & Support Groups	Tania Moussallem	Voting member
3	Head of Corporate Group (OR)	Joseph Baddour (OR)	Voting Member
	Head of Retail Group (OR)	Youssef Eid (OR)	
	Head of Treasury & Financial Markets Group	Naji Echo	
4	Head of Financial Management & Accounting Group (CFO)	Hani Denawi	Voting Member
5	Head of Organization	Maya Wakim	Non-Voting Member
6	Head of Marketing Group	Maya Margie	Voting Member- Secretary
7	Deputy Head of Risk Group	Carlos Lebbos	Non-Voting Member

2.18- Human Resources Committee

1	Vice Chairman & General Manager	Nadim Kassar	Chairperson & Voting Member
2	General Manager	Raoul Nehme	Voting Member
3	Head of HR Group	Souheil Younes	Voting Member-Secretary

2.19- Confirmation Committee

1	General Manager	Raoul Nehme	Chairperson
2	Advisor to the Vice Chairman & General Manager	Bassam Hassan	
3	Head of HR Group	Souheil Younes	
4	Head of Human Capital Management	Sandra Antipas	Secretary
5	Head of concerned group		
6	Function Manager		

2.20- Disciplinary Committee

1	General Manager	Raoul Nehme	Chairperson & Voting Member
2	Head of HR Group	Souheil Younes	Voting Member-Secretary
3	Head of Internal Audit	Alexander Zgheib	Voting Member
4	Non Executive Board Member	Walid Ziadé	Voting Member
5	Head of Risk Group	Georges Baz	Voting Member
6	Head of concerned Group		Voting Member

2.21- Purchasing Committee

1	General Manager	Raoul Nehme	Chairperson & Voting Member
2	Head of Marketing & Support Groups	Tania Moussallem	Voting Member
3	Advisor to the Vice Chairman & General Manager	Bassam Hassan	Voting Member
4	Head of Financial Management & Accounting Group (CFO)	Hani Denawi	Voting Member
5	Head of Concerned Group		Voting Member
6	Head of Administration	Elizabeth El-Khazen	Voting Member-Secretary

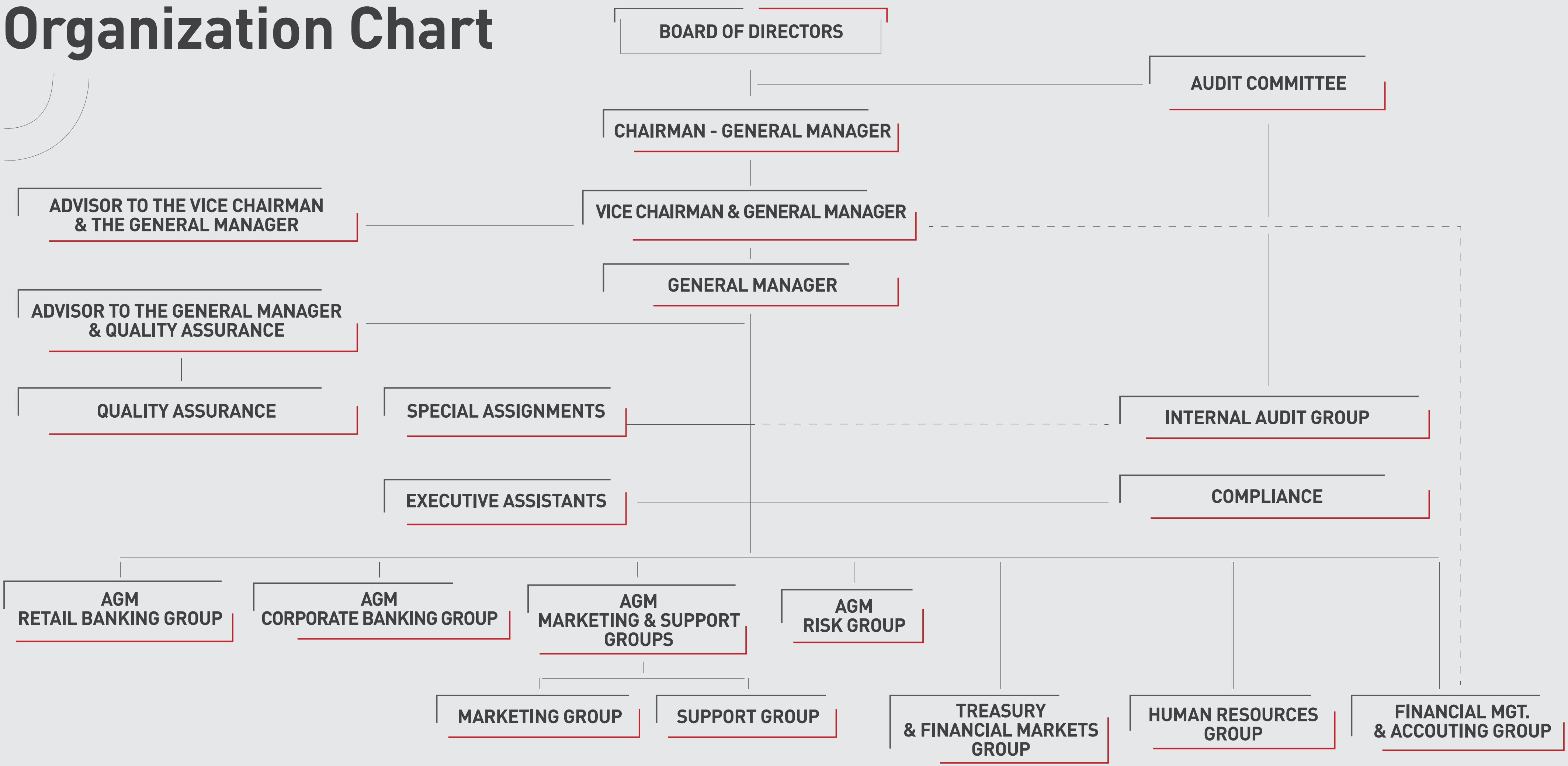
2.22- Innovation Committee

1	General Manager	Raoul Nehme	Chairperson & Voting Member
2	Head of Marketing & Support Groups	Tania Moussallem	Voting Member
3	Head of Retail Group	Youssef Eid	Voting Member
4	Head of Human Resources Group	Souheil Younes	Voting Member
5	Head of Marketing Group	Maya Margie	Voting Member-Secretary

2.23- Corporate Social Responsibility Committee

1	Head of Special Assignments	Youmna Ziade	Chairperson & Voting Member
2	Head of Administration	Elizabeth El Khazen	Voting Member
3	Head of Credit & Financial Risk	Rabih Abi Ammar	Voting Member
4	Head of Communication	Joyce Kozaily	Voting Member
5	Head of Quality Assurance	Joyce Abou Naoum	Voting Member
6	Head of Administrative Support	Fady El Khoury	Voting Member
7	Head of Strategic Development	Hani Hoyek	Voting Member
8	Head of Organization	Maya Wakim	Voting Member
9	Head of Learning & Development	Eliane Abi Azar	Voting Member
10	Senior Relationship Manager	Nancy Maalouf	Voting Member-Secretary

Organization Chart



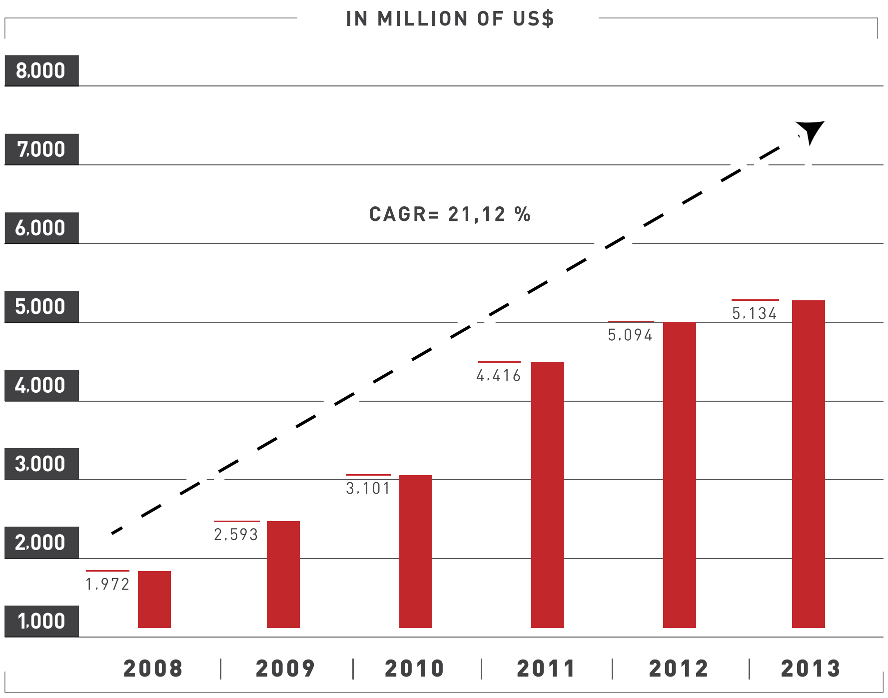
As of October 2014

FINANCIAL HIGHLIGHTS

BLC Bank's Consolidated Main Financial Highlights December 2013

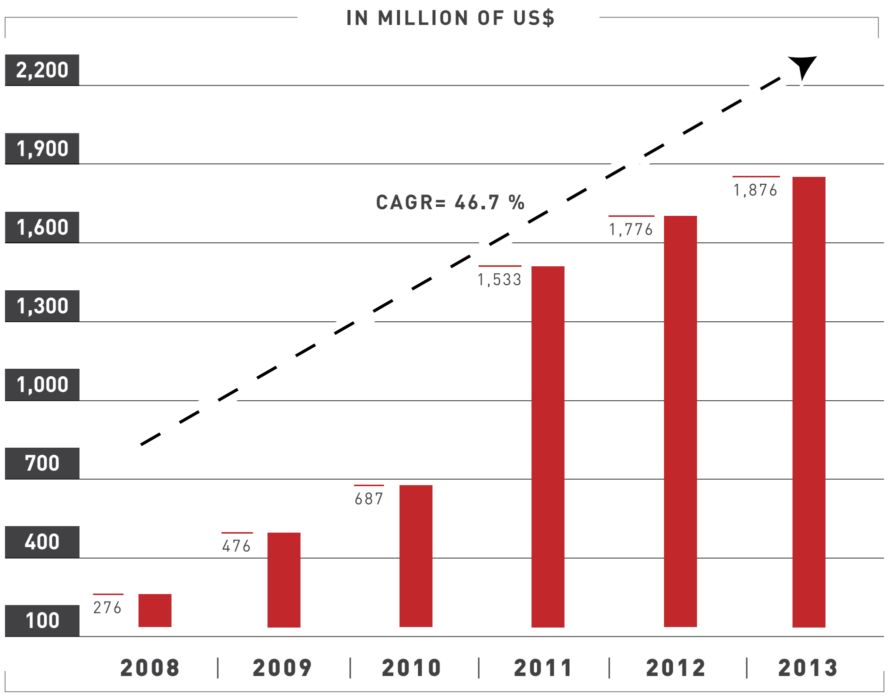
Total Assets Evolution
Loans Evolution
Total Deposits
Total Shareholders' Equity
Net Income

Total Assets Evolution



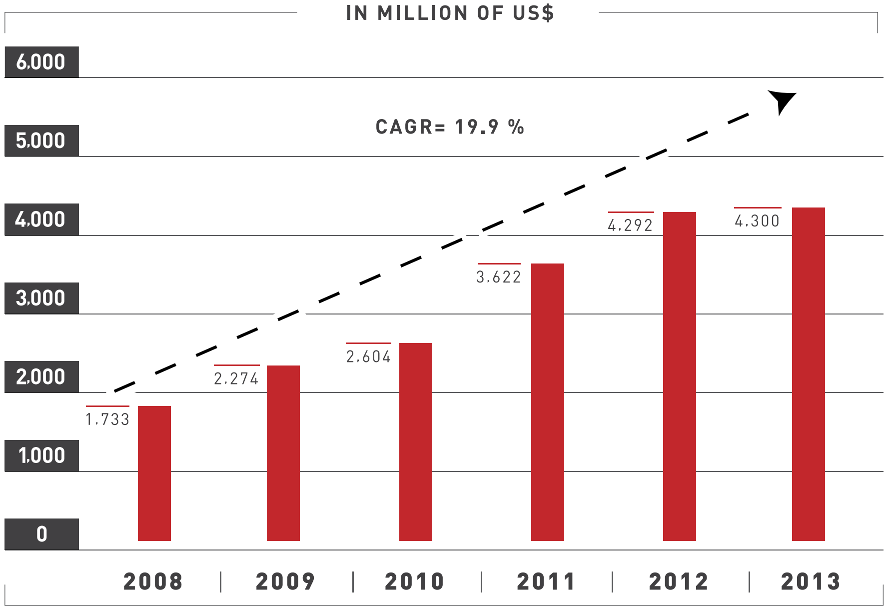
* As Compared To A CAGR Of Alpha Group Of 13.2% For The Same Period

Loans Evolution



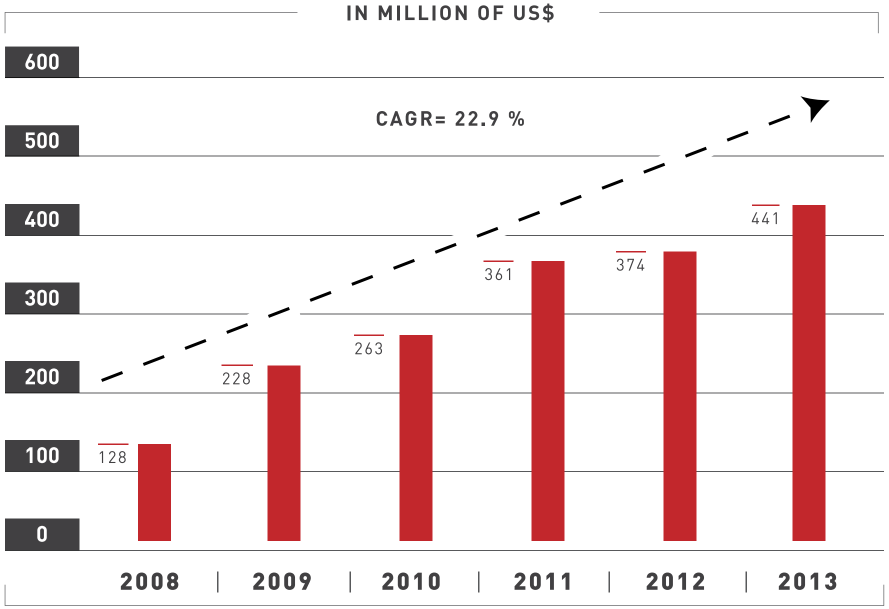
* As Compared To A CAGR Of Alpha Group Of 17.5% For The Same Period

Total Deposits Evolution



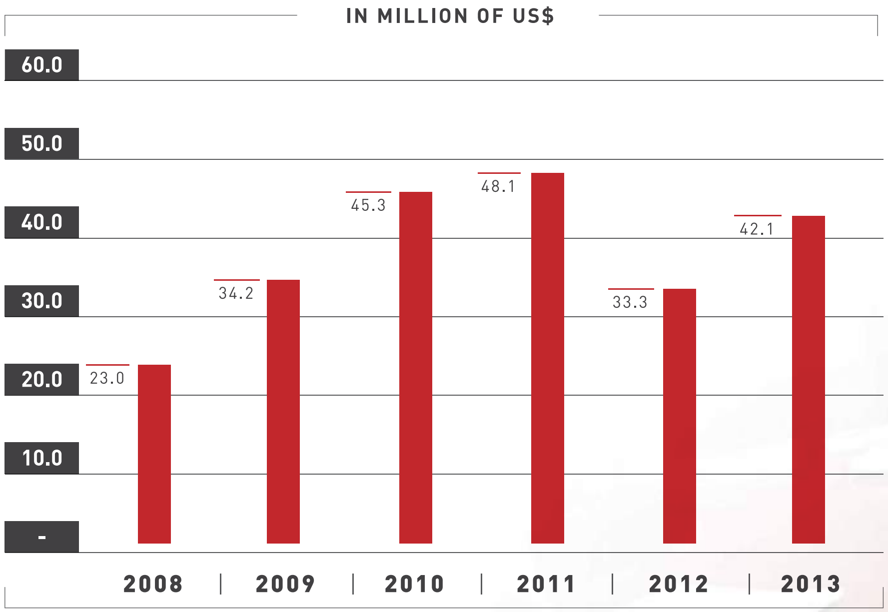
* As Compared To A CAGR Of Alpha Group Of 13.2% For The Same Period

Shareholders' Equity



* As Compared To A CAGR Of Alpha Group Of 12.8% For The Same Period

Net Income


IN MILLION OF US$
60.0
50.0
40.0
30.0
20.0
10.0
-
23.0
34.2
45.3
48.1
33.3
42.1
2008
2009
2010
2011
2012
2013

Financial Highlights & Ratios (Consolidated)

In Million of US$	2013	2012	2011	2010	2009
Total Assets	5,134	5,094	4,416	3,101	2,593
Net Liquid Assets (BDL & Banks-Net)	738	988	518	544	601
Net Loans	1,876	1,776	1,533	687	476
Deposits	4,300	4,292	3,622	2,604	2,274
Shareholders' Equity	441	374	361	263	228
Net Interest Income (Including interest on FV Securities)	123.1	111.4	97.1	64.4	53.8
Net Financial Revenues	146.4	130.3	117.9	82.7	69.4
Provision for Credit Losses (Net of Write Backs)	(40.2)	(14.1)	(3.7)	7.7	3.9
Operating Expenses	(83.9)	(81.4)	(71.9)	(44.8)	(38.6)
Earning Before Tax	49.5	40.0	56.8	53.5	40.1
Net Income	42.1	33.3	48.1	45.3	34.2
Dividend to Preferred Shares	7.6	6.7	2.6	-	-
Dividend to Common Shareholders	-	6.6	17.7	17.7	15.1
Ratio NII to Average Total Assets	%2.41	2.34%	2.58%	2.26%	2.36%
Return on Average Assets	%0.82	0.70%	1.28%	1.59%	1.5%
Return on Average Equity	%10.33	9.06%	15.42%	18.44%	17.77%
Capital Adequacy	%14.47	10.78%	10.84%	10.30%	10.99%
Net liquid assets (BDL & Banks-Net) to Deposits	%17	23%	14%	21%	26%
Net Loans to Deposit	%44	41%	42%	26%	21%
Coverage ratio	%74.4	87.9%	89.5%	95.8%	93.2%
Cost to Income	%56.6	60.1%	54.3%	49.5%	51.6%
Growth in Total Assets	%0.8	15.4%	42.4%	19.6%	31.5%
Growth in Deposits	%0.2	18.5%	39.1%	14.5%	31.2%
Growth in Loans	%5.6	15.9%	122.9%	44.6%	72.6%
Growth in Equity	%18.0	3.6%	37.3%	15.1%	45.4%
Growth in Net Financial Revenues	%12.3	10.5%	42.5%	19.2%	31.3%
Branches	56	57	51	35	34
Staff Employed	961	968	898	628	610

Balance Sheet Structure (Audited In Million of US$)

	2013	% total	2012	% total	2011	% total	2010	% total	2009	% total	2008	% total
Cash & Banks	739	14%	996	20%	523	12%	576	19%	624	24%	420	21%
Net Loans	1,876	37%	1,776	35%	1,533	35%	687	22%	476	18%	276	14%
Securities	2,257	44%	2,098	41%	2,142	49%	1,684	54%	1,369	53%	1,179	60%
Other assets	262	5%	225	4%	219	5%	154	5%	125	5%	97	5%
Total assets	**5,134**	**%100**	**5,094**	**%100**	**4,416**	**%100**	**3,101**	**%100**	**2,593**	**%100**	**1,972**	**%100**
Borrowings	312	6%	350	7%	325	7%	162	5%	30	1%	33	2%
Customers deposits	4,300	84%	4,292	84%	3,622	82%	2,604	84%	2,274	88%	1,733	88%
Other liabilities	81	2%	78	2%	107	2%	73	2%	60	2%	49	3%
Total liabilities	**4,693**	**91%**	**4,720**	**93%**	**4,055**	**92%**	**2,838**	**92%**	**2,364**	**91%**	**1,815**	**92%**
Total equity	**441**	**9%**	**374**	**7%**	**361**	**8%**	**263**	**8%**	**228**	**9%**	**157**	**8%**
Total liabilities and equity	**5,134**	**%100**	**5,094**	**%100**	**4,416**	**%100**	**3,101**	**%100**	**2,593**	**%100**	**1,972**	**%100**

Net Interest Structure (Audited In Thousands of US$)

	2013	% total	2012	% total	2011	% total	2010	% total	2009	% total	2008	% total
Interest income:												
Banks	15,463	5%	12,204	4%	4,195	2%	4,071	2%	4.682	3%	9,094	7%
Investment securities	143,695	47%	142,366	50%	135,895	55%	120,285	69%	112, 330	74%	101,039	77%
loans	146,963	48%	131,898	46%	106,136	43%	48,748	28%	35, 382	23%	20,629	16%
Others	3	0%	131	0%	443	0%	94	0%	84	0%	115	0%
Total interest income	**306,124**	**100%**	**286,599**	**100%**	**246,669**	**100%**	**173,198**	**100%**	**152, 478**	**100%**	**130,877**	**100%**
Interest expenses:												
Banks	4,225	2%	4,403	3%	5,095	3%	2,288	2%	132	0%	756	1%
Deposits	174,898	96%	167,877	96%	143,243	96%	106,237	98%	98,248	100%	83,121	96%
other	3,887	2%	2,883	2%	1,227	1%	295	0%	329	0%	2,756	3%
Total interest expense	**183,010**	**100%**	**175,163**	**100%**	**149,565**	**100%**	**108,820**	**100%**	**98,709**	**100%**	**86,633**	**100%**
Net interest Income	**123,114**		**111,436**		**97,105**		**64,378**		**53,769**		**44,243**	

Auditors' Report

Consolidated Financial Statements

Independent Auditors' Report

To the Shareholders
BLC Bank S.A.L.
Beirut, Lebanon

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of BLC BANK S.A.L. (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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, within the framework of the existing banking laws in Lebanon. The procedures selected depend on the auditor's judgment, 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 in 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 consolidated financial position of the Group as of December 31, 2013, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Beirut, Lebanon
April 14, 2014 DFK Fiduciaire du Moyen Orient
Deloitte & Touche

Consolidated Statement Of Financial Position

		December 31,	
		2013	2012
ASSETS	**Notes**	**LBP'000**	
Cash and Central Banks	5	856,464,504	1,123,394,054
Deposits with banks and financial institutions	6	257,930,277	378,195,699
Loan to a bank	7	6,350,873	7,057,567
Investment securities at fair value through profit or loss	9	144,981,838	176,835,476
Loans and advances to customers	8	2,828,497,672	2,677,239,926
Investment securities at amortized cost	9	3,243,374,740	2,973,057,770
Investment securities at fair value through other comprehensive income	9	14,494,569	12,391,631
Customers' liability under acceptances	10	23,202,175	19,137,232
Assets acquired in satisfaction of loans	11	88,799,677	88,840,827
Investment properties	11	57,989,822	53,423,844
Property and equipment	12	80,759,630	80,740,716
Intangible assets	13	4,412,372	3,818,152
Deferred charges	14	96,296,646	22,387,239
Goodwill	15	7,637,618	41,280,604
Other assets	16	28,297,333	22,010,602
Total Assets		**7,739,489,746**	**7,679,811,339**

FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS:	**36**		
Letters of guarantee and standby letters of credit		222,771,207	202,235,388
Letters of credit		59,889,813	55,538,500
Forward exchange contracts		72,111,100	105,344,033
Fiduciary accounts	**37**	**16,290,083**	**18,415,658**
Assets in safekeeping and under management	**38**	**38,382,925**	**40,052,251**

		December 31,	
		2013	2012
LIABILITIES	**Notes**	**LBP'000**	
Deposits from banks	17	2,153,046	11,812,803
Customers' accounts at amortized cost	18	6,481,583,888	6,470,301,990
Liability under acceptances	10	23,202,175	19,137,232
Other borrowings	19	467,940,933	515,841,712
Subordinated bonds	20	20,545,551	19,684,277
Other liabilities	21	70,922,088	64,127,360
Provisions	22	8,101,779	15,153,541
Total liabilities		**7,074,449,460**	**7,116,058,915**

EQUITY			
Capital	23	152,700,000	152,700,000
Preferred shares	24	1,300,000	950,000
Premium on preferred shares	24	194,675,001	142,262,501
Reserves	25	130,084,515	116,626,890
Regulatory reserve for assets acquired in satisfaction of loans		23,019,272	19,890,400
Brought forward retained earnings		91,591,204	74,873,063
Cumulative change in fair value of investments at fair value through other comprehensive income	9	5,493,669	3,493,669
Cumulative currency translation adjustments		(17,058)	106,757
Net profit for the year		64,568,577	50,221,660
Equity attributable to equity holders of the Bank		**663,415,180**	**561,094,940**
Non-controlling interests		1,625,106	2,657,484
Total equity		**665,040,286**	**563,752,424**
Total liabilities and Equity		**7,739,489,746**	**7,679,811,339**

The accompanying notes 1 to 47 form an integral part of the consolidated financial statements.

Consolidated Statement Of Profit Or Loss

	Notes	December 31, 2013 LBP'000	December 31, 2012 LBP'000
Interest income	27	452,913,444	420,890,919
Interest expense	28	(275,887,228)	(264,058,148)
Net interest income		**177,026,216**	**156,832,771**
Fee and commission income	29	33,111,157	33,036,480
Fee and commission expense	30	(5,244,757)	(5,428,054)
Net fee and commission income		**27,866,400**	**27,608,426**
Net interest and other gain/(loss) on investments at fair value through profit or loss	31	10,699,486	7,210,888
Impairment of investments at amortized cost	9	-	(3,981,392)
Other operating income	32	5,048,442	8,796,177
Net financial revenues		**220,640,544**	**196,466,870**
Allowance for impairment of loans and advances (net)	8	(60,663,962)	(21,514,536)
Loans' direct write-off (net)	15	(38,221)	(34,248)
Impairment of goodwill		(34,268,905)	-
Write-back of discount on purchased loan portfolio	8	148,028	245,626
Net financial revenues after net impairment loss/write-back		**125,817,484**	**175,163,712**
Income originated from contractual future cash flows	14(b)	77,159,472	-
Net gain on disposal of property and equipment and properties acquired in satisfaction of loans	11, 12	1,342,359	1,790,389
Change in fair value of investment properties	11	(4,428,962)	-
Write-back provision no longer required	22	1,414,214	3,935,421
(Allowance) / write-back for contingencies	22	(277,200)	2,081,886
Staff costs	33	(76,747,077)	(76,839,303)
General and administrative expenses	34	(42,585,760)	(40,749,911)
Depreciation and amortization	12, 13	(7,078,542)	(5,142,522)
Profit before income tax		**74,615,988**	**60,239,672**
Income tax expense	21	(11,129,111)	(10,072,033)
Net profit for the year		**63,486,877**	**50,167,639**
Attributable to:			
Equity holders of the Bank		64,568,577	50,221,660
Non-controlling interests		**(1,081,700)**	**(54,021)**
		63,486,877	**50,167,639**

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

	Notes	December 31, 2013 LBP'000	December 31, 2012 LBP'000
Net profit for the year		**63,486,877**	**50,167,639**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of investments at fair value through other comprehensive income	9	2,000,000	480,771
Deferred tax liability		-	(72,116)
		2,000,000	**408,655**
Items that may be reclassified subsequently to profit or loss			
Currency translation adjustment		(26,261)	54,033
Total other Comprehensive income		**(26,261)**	**462,688**
Total comprehensive income for the year		**65,460,616**	**50,630,327**
Attributable to:			
Equity holders of the Bank		66,444,762	50,685,689
Non-controlling interests		**(984,146)**	**(55,362)**
		65,460,616	**50,630,327**

The accompanying notes 1 to 47 form an integral part of the consolidated financial statements.

Consolidated Statement Of Changes In Equity

	Attributable to Equity Holders of the Bank												
	Capital	Preferred Shares and Premiums	Legal Reserve	Free Reserves	Reserve for General Banking Risks	Regulatory Reserve for Assets Acquired in Satisfaction of Loans	Cumulative Currency Translation Adjustment	Cumulative Change in Fair Value of Investment Securities	Retained Earnings	Profit for the year	Total	Non-Controlling Interests	Total Equity
	LBP'000												
Balance January 1, 2012	152,700,000	143,212,501	19,843,428	48,190,325	20,368,707	14,028,871	51,383	3,085,014	66,932,294	72,498,756	540,911,279	3,194,983	544,106,262
Allocation of 2011 profit	-	-	7,322,680	16,422,369	7,151,725	3,190,121	-	-	38,411,861	(72,498,756)	-	-	-
Dividends paid (Note 26)	-	-	-	-	-	-	-	-	(26,722,500)	-	(26,722,500)	(16,257)	(26,738,757)
Dividends paid to Preferred shares "A" & "B" (Note 26)	-	-	-	-	-	-	-	-	(3,989,711)	-	(3,989,711)		(3,989,711)
Transfer between legal and regulatory reserve	-	-	-	(2,671,408)	-	2,671,408	-	-	-	-	-	-	-
Prior year adjustments	-	-	(936)	-	-	-	-	-	610,269	-	609,333	(808,872)	(199,539)
Difference of exchange	-	-	-	-	-	-	-	-	(12,102)	-	(12,102)	-	(12,102)
Non-controlling interest shares of the established subsidiary	-	-	-	-	-	-	-	-	-	-	-	9,999	9,999
Dilution in non-controlling interest shares	-	-	-	-	-	-	-	-	(332,993)	-	(332,993)	332,993	-
Deferred tax on future dividend distribution of subsidiaries	-	-	-	-	-	-	-	-	(54,055)	-	(54,055)	-	(54,055)
Total comprehensive income for the year 2012	-	-	-	-	-	-	55,374	408,655	-	50,221,660	50,685,689	(55,362)	50,630,327
Balance - December 31, 2012	**152,700,000**	**143,212,501**	**27,165,172**	**61,941,286**	**27,520,432**	**19,890,400**	**106,757**	**3,493,669**	**74,843,063**	**50,221,660**	**561,094,940**	**2,657,484**	**563,752,424**
Allocation of 2012 profit	-	-	5,575,346	-	7,811,834	3,196,931	-	-	33,637,549	(50,221,660)	-	-	-
Dividends paid (Note 26)	-	-	-	-	-	-	-	-	(9,925,500)	-	(9,925,500)	(15,123)	(9,940,623)
Dividends paid to Preferred shares "A" & "B" (Note 26)	-	-	-	-	-	-	-	-	(10,024,875)	-	(10,024,875)		(10,024,875)
Transfer between legal and regulatory reserve	-	-	-	68,059	-	(68,059)		-	-	-	-	-	-
Issuance of preferred shares "C"	-	52,762,500	-	-	-	-	-	-	-	-	52,762,500	-	52,762,500
Dilution in non-controlling-interest shares	-	-	1,596	790	-	-	-	-	30,610	-	32,996	-	-
Deferred tax on future dividend distribution of subsidiaries	-	-	-	-	-	-	-	-	(60,324)	-	(60,324)	(32,996)	(60,324)
Earnings originated from contractual future cash flows (Note 14)	-	-	-	-	-	-	-	-	3,164,248	-	3,164,248	-	3,164,248
Difference of exchange	-	-	-	-	-	-	-	-	(37,291)	-	(37,291)	-	(37,291)
Other adjustments	-	-	-	-	-	-	-	-	(36,276)	-	(36,276)	(113)	(36,389)
Total comprehensive income for the year 2013	-	-	-	-	-	-	(123,815)	2,000,000	-	64,568,577	66,444,762	(984,146)	65,460,616
Balance - December 31, 2013	**152,700,000**	**195,975,001**	**32,742,114**	**62,010,135**	**35,332,266**	**23,019,272**	**(17,058)**	**5,493,669**	**91,591,204**	**64,568,577**	**663,415,180**	**1,625,106**	**665,040,286**

The accompanying notes 1 to 47 form an integral part of the consolidated financial statements.

Consolidated Statement Of Cash Flows

		December 31, 2013	December 31, 2012
	Notes	LBP'000	
Cash flows from operating activities:			
Net profit for the year		63,486,877	50,167,639
Adjustments for:			
Impairment of loans and advances to customers	8	60,515,934	21,268,910
Depreciation and amortization	12,13	7,078,542	5,464,273
Impairment of goodwill	15	34,268,905	-
Income generated from contractual future cash flows	14	(77,159,472)	-
Impairment of investments at amortized cost	9	-	3,981,392
Change in fair value of investment properties	11	4,428,962	-
(Write back)/provisions, (net)	22	277,200	(2,081,886)
(Write back)/provision for end-of-service indemnities (net)	22	(1,332,780)	569,310
Provision/(write back) for loss on foreign currency position	22	18,162	(126,940)
Unrealized loss on investments at fair value through profit or loss	9	759,652	3,023,524
Income tax expense		11,129,111	10,072,033
Gain on disposal of property and equipment		(605,696)	(162,573)
Gain on disposal of property acquired in satisfaction of loans		(736,662)	(1,627,816)
Dividend income		(448,831)	(641,340)
Interest expense	28	275,887,228	264,058,148
Interest income	27, 31	(461,482,361)	(432,753,322)
		(83,915,229)	**(78,788,648)**
Net increase in loans and advances to customers	39	(216,272,435)	(420,499,091)
Net decrease/(increase) in margins with banks		557,775	(1,271,953)
Net increase in investments at fair value through other comprehensive income	9	(102,510)	(5,977,975)
Net decrease/(increase) in investments at fair value through profit or loss		30,749,354	(4,114,433)
Net (increase)/decrease in investments at amortized cost		(263,779,300)	79,284,861
Net increase in customers' deposits	39	14,650,066	992,280,905
Net (increase)/decrease in compulsory deposits with Central Banks	39	(11,989,645)	31,511,639
Net increase in term and blocked deposits with banks		(753,846)	(646,199,332)
Net decrease in term and blocked deposits with Central Banks		976,232	-
Net increase in term deposits with a related bank		(10,373,850)	-
Net (decrease)/increase in deposits from banks		(9,647,907)	3,789,745
Net increase in other assets		(6,286,731)	(3,620,073)
Net increase in other liabilities		5,635,998	4,948,282
Proceeds from disposal of property acquired in satisfaction of loans		1,082,385	5,843,603
Proceeds from disposal of investment properties		228,120	-
Settlements made from provisions	22, 39	(7,240,977)	(1,520,020)
		(556,482,500)	**(44,332,490)**
Income tax paid		(9,970,381)	(13,752,918)
Dividends received	31	448,831	641,340
Interest paid		(280,040,002)	(259,237,028)
Interest received		463,020,457	418,486,857
Net cash (used in)/generated from operating activities		**(383,023,595)**	**101,805,761**
Cash flows from investing activities:			
Proceeds from disposal of property and equipment		1,005,956	197,650
Acquisition of property and equipment	39	(5,965,603)	(8,490,382)
Acquisition of intangible assets	39	(1,573,919)	(2,451,020)
Net cash used in investing activities		**(6,533,566)**	**(10,743,752)**
Cash flows from financing activities			
Dividends paid	26	(19,965,498)	(30,728,468)
Issuance of preferred shares	24	52,762,500	-
Subscription of capital by the non-controlling interest		-	9,999
Net decrease in loan to a bank		700,000	-
Net (decrease)/increase in other borrowings	39	(47,127,905)	32,239,642
Net cash (used in)/generated from financing activities		**(13,630,903)**	**1,521,173**
Net (decrease)/increase in cash and cash equivalents		(403,188,064)	92,583,182
Effect of foreign currency fluctuation		(5,557,075)	(1,044,501)
Cash and cash equivalent beginning of year	**39**	**791,926,349**	**700,387,668**
Cash and cash equivalents end of year	**39**	**383,181,210**	**791,926,349**

the accompanying notes 1 to 47 form an integral part of the consolidated financial statements

Notes To The Consolidated Financial Statements

Year Ended December 31, 2013

1. Formation And Activities Of The Bank

BLC Bank S.A.L., (the "Bank"), is a Lebanese joint stock company registered in the Trade Register under No. 1952 and in the Central Bank of Lebanon list of banks under No. 11. The consolidated financial statements of the Bank comprise the Bank and its subsidiaries (the "Group"). The Group is primarily involved in investment, corporate and retail banking.

The Bank's headquarters are located in Beirut, Lebanon.

The consolidated subsidiaries consist of the following as at December 31:

Name of Subsidiary	Percentage of ownership December 31,		Country of Incorporation	Business Activity
	2013	2012		
	%			
BLC Invest S.A.L. (Est. in 2012)	99.97	99.97	Lebanon	Investment Bank
BLC Finance S.A.L.	98.96	98.44	Lebanon	Financial Institution
BLC Services S.A.L.	90.33	90.33	Lebanon	Insurance Brokerage
USB Bank PLC	97.31	97.31	Cyprus	Commercial Banking

Fransabank S.A.L Is The Ultimate Parent Of The Bank.

2. New And Revised International Financial Reporting Standards (IFRSs)

2.1 New and revised Standards and Interpretations effective for the current period

In the current year, the Bank has applied the following new and revised Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective with a date of initial application of January 1, 2013 and that are applicable to the Bank:

Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement. IFRS 13 is applicable for both financial and non-financial items for which other IFRSs require or permit fair value measurement and disclosures about fair value measurements, except in specified circumstances.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments require to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. Income tax on items of other comprehensive income is required to be allocated on the same basis.

Parts of the Annual Improvements to IFRSs 2009 – 2011 Cycle

Amendments to IAS 32 Financial Instruments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes.

Amendments to IAS 1 Presentation of Financial Statements specify that related notes are not required to accompany the third statement of financial position (as at the beginning of the preceding period) when presented. A third statement of financial position is required to be presented when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that have a material effect on the information in the third statement of financial position.

The above new and revised Standards resulted in the following impact on the disclosures in these financial statements:

(a) Impact of the application of IFRS 13

IFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period (See Note 45). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognized in these financial statements.

(b) Presentation of items of Other Comprehensive Income (OCI)

The Group has modified the presentation of items of OCI in its statement of profit or loss and OCI (including comparative information), to present separately items that would be reclassified to profit or loss from those that would never be.

2.2 New and revised IFRS(s) in issue but not yet effective

The Group has not applied the following revised IFRSs that have been issued but not yet effective:

- *Amendments to* IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* modify the disclosure requirements in IAS 36 Impairment of Assets regarding the measurement of the recoverable amount of impaired assets and require additional disclosures about the measurement of impaired assets (or group of impaired assets) with a recoverable amount based on fair value less costs of disposal. Effective for annual periods beginning on or after January 1, 2014.

- *Amendments to* IFRS 10, IFRS 12 *and* IAS 27 *Investment Entities* – Amendments define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Effective for annual periods beginning on or after January 1, 2014.

- *Amendments to* IAS 32 *Offsetting Financial Assets and Financial Liabilities* – Amendments clarify the requirements relating to the offset of financial assets and financial liabilities. Effective for annual periods beginning on or after January 1, 2014.

- *Amendments to* IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* allow the continuations of hedge accounting when a derivative is novated to a clearing counterparty and certain conditions are met. Effective for annual periods beginning on or after January 1, 2014.

- IFRS 9 *Financial Instruments* (2013) – General Hedge Accounting. On November 19, 2013 a new version of IFRS 9 was issued which includes the new hedge accounting requirements and some related amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures. IFRS 9 (2013) also replicates the amendments in IAS 39 in respect of novations. Effective for annual periods beginning on or after January 1, 2018.

- *Amendments to* IFRS 10, IFRS 12, *and* IAS 27 – Guidance on Investment Entities.

- *Annual Improvements to* IFRSs *2010 – 2012 Cycle*.

The Directors of the Bank do not anticipate that the application of these amendments will have a significant effect on the Group's consolidated financial statements.

3. Significant Accounting Policies

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following measured at fair value:

- Financial instruments designated at fair value through profit or loss;
- Investments in equities;
- Other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest;
- Derivative financial instruments;
- Investment properties.

Assets and liabilities are grouped according to their nature and presented in the consolidated statement of financial position in an approximate order that reflects their relative liquidity.

Summary of significant accounting policies

Following is a summary of the most significant accounting policies applied in the preparation of these consolidated financial statements:

A. Basis of Consolidation:

The consolidated financial statements of BLC Bank incorporate the financial statements of the Bank and enterprises controlled by the Bank (its subsidiaries) as at the reporting date. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Bank controls an investee if and only if the Bank has:

• Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
• Exposure, or rights, to variable returns from its involvement with the investee, and
• The ability to use its power over the investee to affect its returns.

When the Bank has less than a majority of the voting or similar rights of an investee, the Bank considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
• The contractual arrangement with the other vote holders of the investee;
• Rights arising from other contractual arrangements;
• The Group's voting rights and potential voting rights.

The Bank re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Bank gains control until the date the Bank ceases to control the subsidiary.
Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by the Bank.

All intra-group transactions, balances, income and expenses (except for foreign currency transaction gains or loss) are eliminated on consolidation. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Bank.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

B. Business Combinations:
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. Where applicable, adjustments are made to provisional values of recognized assets and liabilities related to facts and circumstances that existed at the acquisition date. These are adjusted to the provisional goodwill amount. All other adjustments including above adjustments made after one year are recognized in profit and loss except to correct an error in accordance with IAS 8.
Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Non-controlling

interests in business acquisitions transacted so far by the Group were initially measured at the non-controlling interests' proportionate share of net assets acquired.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

C. Foreign Currencies:

The consolidated financial statements are presented in Lebanese Pound (LBP) which is the reporting currency of the Group. The primary currency of the economic environment in which the Group operates (functional currency) is the U.S. Dollar. The Lebanese Pound rate has been constant to the U.S. Dollars since many years.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's reporting currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks, and except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future, which are recognized in other comprehensive income, and presented in the translation reserve in equity. These are recognized in profit or loss on disposal of the net investment.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Lebanese Pound using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period when this is a reasonable approximation. Exchange differences arising are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

D. Recognition and Derecognition of Financial assets and Liabilities:

The Group initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Debt securities exchanged against securities with longer maturities with similar risks, and issued by the same issuer, are not derecognized because they do not meet the conditions for derecognition. Premiums and discounts derived from the exchange of said securities are deferred to be amortized as a yield enhancement on a time proportionate basis, over the period of the extended maturities.

When the Group enters into transactions whereby it transfers assets recognized on its statement of financial position and retains all risks and rewards of the transferred assets, then the transferred assets are not derecognized, for example, securities lending and repurchase transactions.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Classification of Financial Assets:

All recognized financial assets are measured in their entirety at either amortized cost or fair value, depending on their classification.

Debt Instruments:

Non-derivative debt instruments that meet the following two conditions are subsequently measured at amortized cost using the effective interest method, less impairment loss (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- They are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, rather than to sell the instrument prior to its contractual maturity to realize its fair value changes, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments which do not meet both of these conditions are measured at fair value through profit or loss ("FVTPL").

Even if a debt instrument meets the two amortized cost criteria above, it may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Equity Instruments:

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income ("FVTOCI") on initial recognition (see below).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss.

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income ("FVTOCI"). Investments in equity instruments at FVTOCI are measured at fair value. Gains and losses on such equity instruments are recognized in other comprehensive income, accumulated in equity and are never reclassified to profit or loss. Only dividend income is recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case it is recognized in other comprehensive income. Cumulative gains and losses recognized in other comprehensive income are transferred to retained earnings on disposal of an investment.

Designation at FVTOCI is not permitted if the equity investment is held for trading.

Reclassification:

Financial assets are reclassified between FVTPL and amortized cost or vice versa, if and only if, the Group's business model objective for its financial assets changes so its previous model assessment would no longer apply. When reclassification is appropriate, it is done prospectively from the reclassification date.

F. Financial Liabilities and Equity Instruments:

Classification as debt or equity:

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Group's own equity instruments.

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments is an equity instrument.

Financial Liabilities:

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are subsequently measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract is designated as at FVTPL in accordance with IFRS 9.

G. Offsetting:

Financial assets and liabilities are set-off and the net amount is presented in the statement of financial position when, and only when, the Group has a currently enforceable legal right to set-off the recognized amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

H. Fair Value Measurement of Financial Instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured by taking into account the characteristics of the asset or liability that if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

For financial reporting purposes, fair value measurement are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Inputs, other than quoted prices included within Level 1, that are observable for the asset and liability either directly or indirectly; and
- Level 3 - Inputs are unobservable inputs for the asset or liability.

I. Impairment of Financial Assets:

Financial assets carried at amortized cost are assessed for indicators of impairment at the reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, a loss event has occurred which has an impact on the estimated future cash flows of the financial asset.

Objective evidence that an impairment loss related to financial assets has been incurred can include information about the debtors' or issuers' liquidity, solvency and business and financial risk exposures and levels of and trends in delinquencies for similar financial assets, taking into account the fair value of collateral and guarantees.

The Group considers evidence of impairment for assets measured at amortized cost at both specific asset and collective level.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the corresponding estimated recoverable amounts. Losses are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been, had the impairment not been recognized.

For investments in equity securities, a significant or prolonged decline in fair value below cost is objective evidence of impairment.

J. Derivative Financial Instruments:

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded Derivatives

Derivatives embedded in other financial instruments or other host contracts with embedded derivatives are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contract:

- is not measured at fair value with changes in fair value recognized in profit or loss;
- is not an asset within the scope of IFRS 9.

Hedge Accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the line of the income statement relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the income statement as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

K. Loans and Advances:

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and advances are disclosed at amortized cost net of unearned interest and after provision for credit losses. Non-performing loans and advances to customers are stated net of unrealized interest and provision for credit losses because of doubts and the probability of non-collection of principal and/or interest.

L. Financial Guarantees:

Financial guarantees contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. These contracts can have various judicial forms (guarantees, letters of credit, and credit-insurance contracts). Financial guarantee liabilities are initially measured at their fair value, and subsequently carried at the higher of this amortized amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within other liabilities.

M. Property and Equipment:

Property and equipment except for buildings acquired prior to 1999 are stated at historical cost, less accumulated depreciation and impairment loss, if any. Buildings acquired prior to 1999 are stated at their revalued amounts, based on market prices prevailing during 1999 less accumulated depreciation and impairment loss, if any.

Depreciation is recognized so as to write off the cost or valuation of property and equipment, other than land and advance payments on capital expenditures less their residual values, if any, using the straight-line method over the useful lives estimated as follows:

	%
Buildings	2-4
Office improvements and installations	20
Furniture, equipment and machines	8-20
Computer equipment	20-33
Vehicles	10-20

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

N. Intangible Assets and Goodwill:

Goodwill

Refer to Note 3B for the measurement of goodwill at initial recognition arising on the acquisition of subsidiaries. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets other than goodwill are amortized on a straight line over their estimated useful lives as follows:

- Computer software 5 years
- Key money 15 years

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

O. Assets acquired in satisfaction of loans:

Policy applicable to the Lebanese Group entities:

Real estate properties acquired through the enforcement of collateral over loans and advances are measured at cost less any accumulated impairment losses. The acquisition of such assets is regulated by the local banking authorities who require the liquidation of these assets within 2 years from acquisition. In case of default of liquidation the regulatory authorities require an appropriation of a special reserve from the yearly profits and accumulated in equity.

P. Investment Properties:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, as at the balance sheet date. Gain or losses arising from changes in the fair values of investment properties are included in the income statement. Valuations are carried out by independent qualified valuers on the basis of current market values.

The Group's Cypriot entity acquires in its normal course of business properties in satisfaction of debts. These properties are directly held by the Group or by special purpose entities for the sole purpose of managing these properties. To reflect the substance of transactions, these are classified as investment properties and are consolidated without the entities being explicitly disclosed as subsidiaries.

Q. Impairment of Non-Financial Assets:

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial, asset other than investment properties and deferred taxes, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Goodwill is tested annually for impairment. Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as

a revaluation decrease.
Where an impairment loss subsequently reverses, the carrying amount of the asset
(cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

An impairment loss in respect of goodwill is not reversed.

R. Deferred Charges:

Deferred charges on business acquisition and against contractual projected cash flows are stated at amortization cost. Such deferred charges are amortized over the period of related benefits deriving from the net return of the invested funds funded through committed structured medium term debt purpose to offset exceptional impairment losses. Amortization charge is treated as a yield adjustment to the interest income of the invested funds.

S. Provision for Employees' End-of-Service Indemnity:

Policy applicable to the Lebanese Group entities:
The provision for staff termination indemnities is based on the liability that would arise if the employment of all the staff were voluntary terminated at the reporting date. This provision is calculated in accordance with the directives of the Lebanese Social Security Fund and Labor laws based on the number of years of service multiplied by the monthly average of the last 12 months' remunerations and less contributions paid to the Lebanese Social Security National Fund and interest accrued by the Fund.

T. Staff Retirement Benefits:

Policy applicable to the Cypriot Group entity:
The Entity and its employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition the Entity and its employees make contributions to a defined a defined contribution scheme, the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Entity. The Entity has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

U. Provisions:

Provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the impact is material.

V. Revenue and Expense Recognition:

Interest income and expense are recognized on an accrual basis, taking account of the principal outstanding and the rate applicable, except for non-performing loans and advances for which interest income is only recognized upon realization. Interest income and expense include the amortization of discount or premium.
Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability (i.e. commissions and fees earned on the loan book) are included under interest income and expense.

Other fees and commission income are recognized as the related services are performed.

Interest income and expense presented in the statement of profit or loss include:

- Interest on financial assets and liabilities at amortized cost.
- Changes in fair value of qualifying derivatives, including hedge ineffectiveness, and related hedged items when interest rate risk is the hedged risk.

Interest income on financial assets measured at FVTPL are presented in the statement of profit or loss under "Net Interest and Other Gain / (Loss) on financial assets at FVTPL" (See below).

Net Interest and Other net Gain / Loss on financial assets measured at FVTPL includes:

- Interest income;
- Dividend income;
- Realized and unrealized fair value changes;
- Foreign exchange differences;

Interest expense on financial liabilities designated at fair value through profit or loss are presented separately in the statement of profit or loss.

Dividend income is recognized when the right to receive payment is established. Dividends on equity instruments designated as at fair value through other comprehensive income in accordance with IFRS 9, are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the investment, in which case it is presented in other comprehensive income.

W. Income Tax:

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because of the items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Part of debt securities invested in by the Group is subject to withheld tax by the issuer. This tax is deducted at year-end from the corporate tax liability not eligible for deferred tax benefit, and therefore, accounted for as prepayment on corporate income tax and reflected as a part of income tax provision.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax base used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

X. Fiduciary Accounts:

Fiduciary assets held or invested on behalf of the Group's customers on a non-discretionary basis and related risks and rewards belong to the account holders. Accordingly, these deposits are reflected as off-balance sheet accounts.

Y. Cash and Cash Equivalents:

Cash and cash equivalents comprise balances with original contractual maturities of a period of three months including: cash and balances with the Central Bank and deposits with banks and financial institutions.

Z. Earnings per Share:

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees, if applicable.

4. Critical Accounting Judgments And Key Sources Of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the future periods if the revision affects both current and future periods.

A. Critical accounting judgments in applying the Group's accounting policies:

Classification of Financial Assets:

Business Model:

The business model test requires the Group to assess whether its business objective for financial assets is to collect the contractual cash flows of the assets rather than realize their fair value change from sale before their contractual maturity. The Group considers at which level of its business activities such assessment should be made. Generally, a business model can be evidenced by the way business is managed and the information provided to management. However the Group's business model can be to hold financial assets to collect contractual cash flows even when there are some sales of financial assets. While IFRS 9 provides some situations where such sales may or may not be consistent with the objective of holding assets to collect contractual cash flows, the assessment requires the use of judgment based on facts and circumstances.
In determining whether its business model for managing financial assets is to hold assets in order to collect contractual cash flows the Group considers:

- The frequency and volume of sales;
- The reasons for any sales;
- How management evaluates the performance of the portfolio;
- The objectives for the portfolio.

Characteristics of the Financial Asset:

Once the Group determines that its business model is to hold the assets to collect the contractual cash flows, it exercises judgment to assess the contractual cash flows characteristics of a financial asset. In making this judgment, the Group considers the contractual terms of the acquired asset to determine that they give rise on specific dates, to cash flows that solely represent principal and principal settlement and accordingly may qualify for amortized cost accounting.

Features considered by the Group that would be consistent with amortized cost measurement include:

- Fixed and / or floating interest rate;
- Caps, floors, collars;
- Prepayment options.

Features considered by the Group that would be inconsistent with amortized cost measurement include:

- Leverage (i.e. options, forwards and swaps);
- Conversion options;
- Inverse floaters;
- Variable rate coupons that reset periodically;
- Triggers that result in a significant reduction of principal, interest or both.

B. Key Sources of Estimation Uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowances for Credit Losses - Loans and Advances to Customers:

Specific impairment for credit losses is determined by assessing each case individually. This method applies to classified loans and advances and the factors taken into consideration when estimating the allowance for credit losses include the counterparty's credit limit, the counterparty's ability to generate cash flows sufficient to settle his advances and the value of collateral and potential repossession. Loans collectively assessed for impairment are determined based on losses incurred by loans portfolios with similar characteristics.

Determining Fair Values:

When the fair values of financial instruments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model, as described in Note 45.

The inputs in these models are taken from observable markets where possible. Where practical, the discount rate used in the mark-to-model approach included observable data collected from market participants, including risk free interest rates and credit default swap rates for pricing of credit risk (both own and counter party), and a liquidity risk factor which is added to the applied discount rate. Changes in assumptions about any of these factors could affect the reported fair value of the sovereign bonds including Central Bank certificates of deposit. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective should remain the same; that is, an exit price from the perspective of a market participant that holds the asset or owes the liability. Unobservable inputs are developed based on the best information available in the circumstances, which may include the reporting entity's own data.

Impairment of Goodwill:

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy under Note 3Q. The recoverable amount is deemed to be the value in use using a discounted cash flow model. This requires the directors to estimate the future cash flows and a suitable discount rate.

5. Cash And Central Banks

	December 31, 2013		December 31, 2012	
		of which Compulsory/ Regulatory Deposits		of which Compulsory/ Regulatory Deposits
	LBP'000		LBP'000	
Cash on hand	46,611,703	-	34,243,664	-
Current accounts with Central Bank of Lebanon	100,001,915	54,457,201	128,519,926	41,874,218
Current accounts with Central Bank of Cyprus	19,209,305	11,955,045	148,525,734	12,548,383
Term placements with Central Bank of Lebanon	622,175,000	429,777,019	722,411,502	428,674,208
Term placements with Central Bank of Cyprus	62,243,100	-	-	-
Pledged deposit with Central Bank of Cyprus (Note 19)	-	-	83,487,180	-
Accrued interest receivable	6,223,481	-	6,206,048	-
	856,464,504	496,189,265	1,123,394,054	483,096,809

Compulsory deposits under current accounts with Central Bank of Lebanon are in Lebanese Pounds and non-interest earning. These deposits are computed on the basis of 25% and 15% of the average weekly sight and term customers' deposits in Lebanese Pounds subject to certain exemptions, in accordance with local banking regulations. These deposits are not available for use in the Group's day-to-day operations.

Regulatory deposits under term placements with Central Bank of Lebanon are made in accordance with local banking regulations which require banks to maintain interest earning placements in foreign currency to the extent of 15% of customers' deposits in foreign currencies, certificates of deposit and borrowings acquired from non-resident financial institutions.

6. Deposits With Banks And Financial Institutions

	December 31,	
	2013	2012
	LBP'000	
Checks in course of collection	35,322,980	32,850,870
Current accounts with banks and financial institutions	96,657,004	94,356,827
Current accounts with the parent bank	2,030,099	1,694,579
Current accounts with related banks and financial institutions	3,785,896	1,503,493
	137,795,979	**130,405,769**
Term placements with banks and financial institutions	109,040,900	246,462,007
Term placements with a related bank	10,373,850	-
Blocked margins with banks and financial institutions	714,178	1,271,953
	120,128,928	**247,733,960**
Accrued interest receivable	5,370	55,790
	257, 930, 277	**378, 195, 699**

7. Loan To A Bank

	December 31,	
	2013	2012
	LBP'000	
Regular performing account	6,300,000	7,000,000
Accrued interest receivable	50,873	57,567
	6,350,873	**7,057,567**

As a guarantee of the above loan, the borrower has pledged in favor of the Group regular and performing notes receivable against housing loans granted to its customers. The loan principal balance matures over 10 yearly payments of LBP700million each with final payment in year 2022.

8. Loans And Advances To Customers

	December 31, 2013					December 31, 2012				
	Gross Amount	Unrealized Interest	Discount on Purchased Loan Book	Impairment Allowance	Carrying Amount	Gross Amount	Unrealized Interest	Discount on Purchased Loan Book	Impairment Allowance	Carrying Amount
	LBP'000									
Regular and Watch List - Retail Customers:										
Housing loans	473,257,996	-	-	-	473,257,996	445,238,268	-	-	-	445,238,268
Personal loans	225,043,277	-	-	-	225,043,277	217,862,299	-	-	-	217,862,299
Car loans	175,652,250	-	-	-	175,652,250	185,631,803	-	-	-	185,631,803
Credit cards	19,594,157	-	-	-	19,594,157	20,115,960	-	-	-	20,115,960
Educational loans	16,703,122	-	-	-	16,703,122	14,777,044	-	-	-	14,777,044
Staff loans	8,799,545	-	-	-	8,799,545	8,554,500	-	-	-	8,554,500
Other	16,768,497	-	-	-	16,768,497	55,846,905	-	-	-	55,846,905
	935,818,844	-	-	-	**935,818,844**	**948,026,779**	-	-	-	**948,026,779**
Regular and Watch List - Corporate customers:										
Corporate	827,042,566	-	-	-	827,042,566	733,853,273	-	-	-	733,853,273
Small and medium enterprises	718,867,676	-	-	-	718,867,676	860,042,884	-	-	-	860,042,884
	1,545,910,242	-	-	-	**1,545,910,242**	**1,593,896,157**	-	-	-	**1,593,896,157**
Accrued interest receivable	27,801,532	-	-	-	27,801,532	25,184,779	-	-	-	25,184,779
Allowance for collectively assessed loans:										
Regular and watch list	-	-	-	(15,413,337)	(15,413,337)	-	-	-	(9,031,467)	(9,031,467)
Total regular and watch list	**2,509,530,618**	-	-	**(15,413,337)**	**2,494,117,281**	**2,567,107,715**	**-**	**-**	**(9,031,467)**	**2,558,076,248**
Non-performing loans and advances:										
Purchased loan book	2,198,725	-	-	-	2,198,725	2,199,865	-	-	-	2,199,865
Substandard	5,370,923	(783, 319)	-	-	4,587,604	56,742,584	(30,900,171)	-	-	25,842,413
Doubtful	927,207,803	(440, 590, 402)	(6,651,163)	(117,473,732)	362,492,506	699,137,708	(491,264,625)	(6,777,855)	(102,142,020)	98,953,208
Bad	313,343,110	(267, 103, 816)	(2,656,946)	(43,578,787)	3,561	154,843,971	(121,548,396)	(2,737,304)	(30,531,772)	26,499
Allowance for collectively assessed loans:										
Doubtful and bad	-	-	-	34,902,005	34,902,005	-	-	-	(7,858,307)	(7,858,307)
Total non-performing	**1,248,120,561**	**(708, 477, 537)**	**(9,308,109)**	**(195,954,524)**	**334,380,391**	**912,924,128**	**(643,713,192)**	**(9,515,159)**	**(140,532,099)**	**119,163,678**
	3,757,651,179	**(708, 477, 537)**	**(9,308,109)**	**(211,367,861)**	**2,828,497,672**	**3,480,031,843**	**(643,713,192)**	**(9,515,159)**	**(149,563,566)**	**2,677,239,926**

The carrying value of loans and advances to customers include accidentally temporary debtors with carrying value amounting to LBP4.7billion as at December 31, 2013 (LBP26billion as at December 31, 2012).

Loans granted to related parties amounted to LBP16.2billion as at December 31, 2013 (LBP9.2billion as at December 31, 2012).

During 2004, the Group acquired a loan portfolio from Bank Al Madina, Lebanon. As at December 31, 2013 and 2012, purchased loans not yet transferred to the different classifications of the loans' portfolio due to the fact that related loan files have not yet been received, amounted to LBP2.2billion. The difference between the original amount of the allocated portion of the purchased loan portfolio and the consideration paid is reflected under discount on purchased loan book.

The movement of unrealized interest was as follows:

	December 31,	
	2013	2012
	LBP'000	
Balance, January 1	(643,713,192)	(553, 945, 086)
Additions	(132,700,343)	(118,962,613)
Write-back through profit and loss (Note 27)	10,357,259	8,980,040
Write-off	38,458,913	3,989,123
Transfer to/(from) allowance for impairment	500,530	(741,472)
Transfer to off-balance sheet	21,343,921	17,935,691
Effect of exchange rates changes	(2,724,625)	(968,875)
Balance, December 31	**(708,477,537)**	**(643,713,192)**

The movement of the allowance for impairment of loans and advances was as follows:

	December 31,	
	2013	2012
	LBP'000	
Balance, January 1	(149,563,566)	(144,224,758)
Additions through profit or loss	(64,345,859)	(31,035,085)
Write-back through profit or loss	3,681,897	9,520,549
Transfer to off-balance sheet	1,623,017	14,562,114
Transfer (from) /to unrealized interest	(500,530)	(741,472)
Write-off	2,500,964	6,331,282
Transfer from provision for contingencies (Note 22)	-	(4,145,625)
Effect of exchange rates changes	(4,763,784)	(1,313,515)
Balance, December 31	**(211,367,861)**	**(149,563,566)**

The movement of the discount on purchased loan book was as follows:

	December 31,	
	2013	2012
	LBP'000	
Balance, January 1	(9,515,159)	(8,825,192)
Additions through profit or loss	(2,528)	(953,863)
Write back through profit or loss	148,028	245,626
Transfer to off-balance sheet	52,048	-
Write-off	9,502	18, 270
Balance, December 31	**(9,308,109)**	**(9,515,159)**

9. Investment Securities

This caption consists of the following:

	December 31, 2013			
	Fair Value Through Profit Or Loss	Amortized Cost (Net of impairment Allowance)	Fair Value Through Other Comprehensive Income	Total
	LBP'000			
Quoted equity securities	5,903,907	-	-	5,903,907
Unquoted equity securities	1,325	-	14,494,569	14,495,894
Lebanese treasury bills	15,191,427	1,142,442,532	-	1,157,633,959
Lebanese Government bonds	21,466,711	724,521,219	-	745,987,930
Foreign Government bonds	19,283,379	166,546,592	-	185,829,971
Foreign Eurobonds	44,887,599	-	-	44,887,599
Certificates of deposit issued by Central Bank of Lebanon	35,835,876	1,085,452,632	-	1,121,288,508
Corporate bonds	-	66,804,880	-	66,804,880
	142,570,224	**3,185,767,855**	**14,494,569**	**3,342,832,648**
Accrued interest receivable	2,411,614	57,606,885	-	60,018,499
	144,981,838	**3,243,374,740**	**14,494,569**	**3,402,851,147**

	December 31, 2012			
	Fair Value Through Profit Or Loss	Amortized Cost (Net of impairment Allowance)	Fair Value Through Other Comprehensive Income	Total
	LBP'000			
Quoted equity securities	9,740,169	-	-	9,740,169
Unquoted equity securities	47,343	-	12,391,631	12,438,974
Lebanese treasury bills	50,502,277	1,041,056,821	-	1,091,559,098
Lebanese Government bonds	36,491,721	593,805,075	-	630,296,796
Foreign Government bonds	3,146,582	200,996,001	-	204,142,583
Foreign Eurobonds	6,346,403	-	-	6,346,403
Subordinated Eurobonds	761,255	-	-	761,255
Certificates of deposit issued by Central Bank of Lebanon	65,922,367	1,009,092,792	-	1,075,015,159
Corporate bonds	1,121,113	77,037,866	-	78,158,979
	174,079,230	**2,921,988,555**	**12,391,631**	**3,108,459,416**
Accrued interest receivable	2,756,246	51,069,215	-	53,825,461
	176,835,476	**2,973,057,770**	**12,391,631**	**3,162,284,877**

A- Investments At Fair Value Through Profit Or Loss:

	December 31, 2013			
	Fair Value	Accrued Interest Receivable	Total Carrying Value	Cumulative Unrealized Gain/(Loss)
	LBP'000			
Quoted equity securities	5,903,907	-	5,903,907	(2,989,131)
Unquoted equity securities	1,325	-	1,325	-
Lebanese treasury bills	15,191,427	241,071	15,432,498	191,427
Lebanese Government bonds	21,466,711	350,145	21,816,856	46,441
Foreign Government bonds	19,283,379	263,056	19,546,435	54,803
Foreign Eurobonds	44,887,599	458,244	45,345,843	119,986
Certificates of deposit issued by Central Bank of Lebanon	35,835,876	1,099,098	36,934,974	1,309,404
	142,570,224	**2,411,614**	**144,981,838**	**(1,267,070)**

	December 31, 2012			
	Fair Value	Accrued Interest Receivable	Total Carrying Value	Cumulative Unrealized Gain/(Loss)
	LBP'000			
Quoted equity securities	9,740,169	-	9,740,169	(2,582,261)
Unquoted equity securities	47,343	-	47,343	-
Lebanese treasury bills	50,502,277	874,102	51,376,379	30,672
Lebanese Government bonds	36,491,721	421,052	36,912,773	646,383
Foreign Government bonds	3,146,582	34,620	3,181,202	(17,160)
Foreign Eurobonds	6,346,403	79,084	6,425,487	(24,026)
Subordinated Eurobonds	761,255	48,932	810,187	7,505
Certificates of deposit issued by Central Bank of Lebanon	65,922,367	1,297,766	67,220,133	506,611
Corporate bonds	1,121,113	690	1,121,803	(2,854,467)
	174,079,230	**2,756,246**	**176,835,476**	**4,286,743**

The movement of investments at fair value through profit or loss during 2013 and 2012 was as follows:

	2013		
	LBP	F/CY	Total
	LBP'000		
Balance, January 1	92,683,038	81,396,192	174,079,230
Acquisition	34,127,312	57,087,557	91,214,869
Sale	-	(3,063,313)	(3,063,313)
Swap	(20,609,451)	-	(20,609,451)
Redemption upon maturity	(56,500,000)	(39,993,674)	(96,493,674)
Unrealized loss (Note 31)	1,261,321	(2,020,973)	(759,652)
Amortization of discount/premium	(246,821)	(1,647,080)	(1,893,901)
Other movement	-	83,056	83,056
Effect of exchange rates changes	-	13,060	13,060
Balance, December 31	**50,715,399**	**91,854,825**	**142,570,224**

	2012		
	LBP	F/CY	Total
	LBP'000		
Balance, January 1	81,257,598	91,730,723	172,988,321
Acquisition	15,000,000	9,808,495	24,808,495
Sale	-	(10,783,090)	(10,783,090)
Redemption upon maturity	(1,008,490)	(7,303,542)	(8,312,032)
Unrealized loss (Note 31)	(864,044)	(2,159,480)	(3,023,524)
Amortization of discount/premium	(1,702,026)	71,944	(1,630,082)
Effect of exchange rates changes	-	31,142	31,142
Balance, December 31	**92,683,038**	**81,396,192**	**174,079,230**

B- Investments at Amortized Cost:

	December 31, 2013					
	Amortized Cost	Allowance for Impairment	Accrued Interest Receivable	Carrying Value	Fair Value	Change in Fair Value
	LBP'000					
Lebanese treasury bills	1,142,442,532	-	19,709,291	1,162,151,823	1,164,325,744	2,173,921
Lebanese Government bonds	724,521,219	-	11,777,841	736,299,060	736,584,841	285,781
Foreign Government bonds	166,546,592	-	4,746,005	171,292,597	161,494,288	(9,798,309)
Certificates of deposit issued by Central Bank of Lebanon	1,085,452,632	-	21,327,307	1,106,779,939	1,106,946,327	166,388
Corporate bonds	66,804,880	-	46,441	66,851,321	67,528,761	677,440
	3,185,767,855	**-**	**57,606,885**	**3,243,374,740**	**3,236,879,961**	**(6,494,779)**

	December 31, 2012					
	Amortized Cost	Allowance for Impairment	Accrued Interest Receivable	Carrying Value	Fair Value	Change in Fair Value
	LBP'000					
Lebanese treasury bills	1,041,056,821	-	17,880,980	1,058,937,801	1,058,539,954	(397,847)
Lebanese Government bonds	593,805,075	-	10,377,427	604,182,502	632,982,073	28,799,571
Foreign Government bonds	201,996,992	(1,000,991)	5,579,941	206,575,942	159,708,216	(46,867,726)
Certificates of deposit issued by Central Bank of Lebanon	1,009,092,792	-	17,171,360	1,026,264,152	1,037,595,964	11,331,812
Corporate bonds	77,037,866	-	59,507	77,097,373	77,554,926	457,553
	2,922,989,546	**(1,000,991)**	**51,069,215**	**2,973,057,770**	**2,966,381,133**	**(6,676,637)**

Lebanese Treasury bills amounting to LBP 266.5 billion (LBP 251.5 billion in 2012) are pledged against soft loans and credit facilities funded by Central Bank of Lebanon.(Note 19).

Lebanese government bonds amounting to LBP 174.3 billion (LBP 174.3 billion in 2012) are pledged against a stand-by line facility funded by the Central bank of Lebanon (Note 19).

Investments at amortized cost with fixed maturities are segregated over the remaining period to maturity as follows:

	December 31, 2013							
	LBP				C/V of F/Cy			
Remaining Period to Maturity	Nominal Value	Amortized Cost	Fair Value	Average Coupon	Nominal Value	Amortized Cost (Net Of Impairment)	Fair Value	Average Coupon
	LBP'000	LBP'000	LBP'000	%	LBP'000	LBP'000	LBP'000	%
Lebanese treasury bills:								
Up to one year	194,560,000	194,674,263	197,988,139	7.94	-	-	-	-
1 year to 3 years	311,765,500	313,165,612	313,068,714	6.78	-	-	-	-
3 years to 5 years	378,784,000	381,651,010	385,731,303	7.66	-	-	-	-
5 years to 10 years	181,100,000	182,145,985	179,761,474	7.78	-	-	-	-
Beyond 10 years	70,300,000	70,805,662	68,066,823	8.74	-	-	-	-
	1,136,509,500	**1,142,442,532**	**1,144,616,453**		**-**	**-**	**-**	
Lebanese Government bonds:								
Up to one year	-	-	-	-	60,913,179	60,910,077	61,248,053	8.60
1 year to 3 years	-	-	-	-	117,048,330	122,123,715	124,375,195	9.89
3 years to 5 years	-	-	-	-	139,502,066	139,355,689	142,137,589	7.77
5 years to 10 years	-	-	-	-	293,973,053	295,841,449	293,417,879	6.81
Beyond 10 years	-	-	-	-	106,079,760	106,290,289	103,628,284	6.59
	-	**-**	**-**		**717,516,388**	**724,521,219**	**724,807,000**	
Foreign Government bonds:								
Up to one year	-	-	-	-	43,570,170	42,230,425	42,951,889	4.69
1 year to 3 years	-	-	-	-	63,410,993	61,370,131	58,411,389	4.07
5 years to 10 years	-	-	-	-	66,392,640	62,587,251	55,026,220	4.63
Beyond 10 years	-	-	-	-	358,785	358,785	358,785	4.75
	-	**-**	**-**		**173,732,588**	**166,546,592**	**156,748,283**	
Certificates of deposit issued by Central Bank of Lebanon:								
Up to one year	34,000,000	34,307,382	34,440,292	9.84	28,642,500	28,642,500	28,588,529	4.50
1 year to 3 years	269,000,000	274,333,402	275,766,604	7.93	30,647,475	31,363,155	31,577,077	10.00
3 years to 5 years	257,000,000	258,545,881	263,447,725	7.91	-	-	-	-
5 years to 10 years	326,000,000	321,875,160	320,620,596	8.09	114,720,750	111,385,152	107,043,212	5.50
Beyond 10 years	25,000,000	25,000,000	24,134,985	8.74	-	-	-	-
	911,000,000	**914,061,825**	**918,410,202**		**174,010,725**	**171,390,807**	**167,208,818**	
Corporate bonds:								
Up to one year	-	-	-	-	34,618,112	33,871,002	34,049,891	1.36
1 year to 3 years	-	-	-	-	25,415,933	25,043,401	25,266,549	0.62
3 years to 5 years	-	-	-	-	8,299,080	7,890,477	8,165,880	0.82
	-	**-**	**-**		**68,333,125**	**66,804,880**	**67,482,320**	

	December 31, 2012							
	LBP				C/V of F/Cy			
Remaining Period to Maturity	Nominal Value	Amortized Cost	Fair Value	Average Coupon	Nominal Value	Amortized Cost (Net Of Impairment)	Fair Value	Average Coupon
	LBP'000	LBP'000	LBP'000	%	LBP'000	LBP'000	LBP'000	%
Lebanese treasury bills:								
Up to one year	15,000,000	15,022,658	15,076,155	6.20	-	-	-	-
1 year to 3 years	418,560,000	421,455,003	425,910,967	7.44	-	-	-	-
3 years to 5 years	203,749,500	204,026,404	202,295,554	6.88	-	-	-	-
5 years to 10 years	396,900,000	400,552,756	397,376,298	7.78	-	-	-	-
	1,034,209,500	**1,041,056,821**	**1,040,658,974**		**-**	**-**	**-**	
Lebanese Government bonds:								
Up to one year	-	-	-	-	10,552,500	10,626,051	10,608,740	9.13
1 year to 3 years	-	-	-	-	78,076,066	78,652,066	80,496,320	8.40
3 years to 5 years	-	-	-	-	194,905,433	201,471,212	216,393,554	9.65
5 years to 10 years	-	-	-	-	233,437,883	234,297,104	243,836,958	6.89
Beyond 10 years	-	-	-	-	68,543,010	68,758,642	71,269,074	6.66
	-	**-**	**-**		**585,514,892**	**593,805,075**	**622,604,646**	
Foreign Government bonds:								
Up to one year	-	-	-	-	46,713,065	44,996,749	40,140,537	3.75
1 year to 3 years	-	-	-	-	100,508,431	94,202,407	73,787,877	4.16
3 years to 5 years	-	-	-	-	1,987,790	1,957,415	1,363,823	5.50
5 years to 10 years	-	-	-	-	63,609,280	59,480,645	38,477,253	4.63
Beyond 10 years	-	-	-	-	358,785	358,785	358,785	4.75
	-	**-**	**-**		**213,177,351**	**200,996,001**	**154,128,275**	
Certificates of deposit issued by Central Bank of Lebanon:								
Up to one year	138,000,000	138,822,056	143,725,161	11.00	10,552,500	10,599,193	10,616,404	9.00
1 year to 3 years	197,000,000	204,217,086	204,784,731	9.23	59,289,975	60,507,214	61,244,798	7.34
3 years to 5 years	476,000,000	483,998,965	489,872,284	7.97	-	-	-	-
5 years to 10 years	-	-	-	-	114,720,750	110,948,278	110,181,226	5.50
	811,000,000	**827,038,107**	**838,382,176**	**-**	**184,563,225**	**182,054,685**	**182,042,428**	
Corporate bonds:								
Up to one year	-	-	-	-	32,798,535	32,705,651	32,725,981	1.20
1 year to 3 years	-	-	-	-	33,166,827	32,694,327	32,912,519	1.26
3 years to 5 years	-	-	-	-	12,423,688	11,637,888	11,856,919	0.97
	-	**-**	**-**		**78,389,050**	**77,037,866**	**77,495,419**	

The movement of investments at amortized cost during 2013 and 2012 is as follows:

	2013		
	LBP	F/CY	Total
	LBP'000		
Balance, January 1 (net of impairment)	1,868,094,928	1,053,893,627	2,921,988,555
Acquisition	467,049,713	163,381,238	630,430,951
Redemption upon maturity	(43,000,000)	(103,127,181)	(146,127,181)
Swap	(230,034,362)	-	(230,034,362)
Amortization of discount/premium	(5,605,922)	5,393,988	(211,934)
Effect of exchange rates changes	-	9,721,826	9,721,826
Balance, December 31	**2,056,504,357**	**1,129,263,498**	**3,185,767,855**

	2012		
	LBP	F/CY	Total
	LBP'000		
Balance, January 1 (net of impairment)	1,743,659,270	1,261,595,538	3,005,254,808
Acquisition	282,416,391	368,647,206	651,063,597
Sale	-	(35,263,105)	(35,263,105)
Redemption upon maturity	(148,858,360)	(437,183,305)	(586,041,665)
Swap	-	(108,601,137)	(108,601,137)
Amortization of discount/premium	(9,122,373)	3,705,970	(5,416,403)
Impairment loss	-	(3,981,392)	(3,981,392)
Other movement	-	(572,223)	(572,223)
Effect of exchange rates changes	-	5,546,075	5,546,075
Balance, December 31 (net of impairment)	**1,868,094,928**	**1,053,893,627**	**2,921,988,555**

During 2013 and 2012, debt securities swapped against securities with longer maturities with similar risks resulted in premiums which will serve as a yield enhancement of the new instruments over the extended period to maturities.

C- Investments at Fair Value through Other Comprehensive Income:

The Group has designated investments in equity securities as at fair value through other comprehensive income. The classification was chosen as the investments are expected to be held for a long time.

	December 31, 2013			
	Amortized Cost	Allowance for Impairment	Carrying Value	Cumulative Change in Fair Value
	LBP'000			
Unquoted equity securities	8,384,670	(300)	14,494,569	6,110,199
Deferred tax liability				(616,530)
				5,493,669

	December 31, 2012			
	Amortized Cost	Allowance for Impairment	Carrying Value	Cumulative Change in Fair Value
	LBP'000			
Unquoted equity securities	8,281,732	(300)	12,391,631	4,110,199
Deferred tax liability				(616,530)
				3,493,669

The movement of investments at fair value through other comprehensive income during 2013 and 2012 is as follows:

	2013		
	LBP	F/CY	Total
	LBP'000		
Balance, January 1	5,595,542	6,796,089	12,391,631
Acquisition	-	102,510	102,510
Change in fair value	2,000,000	-	2,000,000
Effect of exchange rates changes	-	428	428
Balance, December 31	**7,595,542**	**6,899,027**	**14,494,569**

	2012		
	LBP	F/CY	Total
	LBP'000		
Balance, January 1	5,174,752	758,133	5,932,885
Acquisition (10% equity stake in Bancassurance S.A.L.)	100	6,030,000	6,030,100
Payment received from capital reduction	(49,057)	-	(49,057)
Change in fair value	469,747	11,024	480,771
Effect of exchange rates changes	-	(3,068)	(3,068)
Balance, December 31	**5,595,542**	**6,796,089**	**12,391,631**

10. Customers' Liability Under Acceptances

Acceptances represent documentary credits which the Group has committed to settle on behalf of its customers against commitments by those customers (acceptances). The commitments resulting from these acceptances are stated as a liability in the consolidated statement of financial position for the same amount.

11. Assets Acquired In Satisfaction Of Loans / Investments Properties

This section represents foreclosed real estate properties acquired through enforcement of security over loans and advances to customers. For regulatory purposes foreclosed assets acquired by the Group's local operation are categorized as "Assets Acquired in Satisfaction of Loans".

	December 31,	
	2013	2012
	LBP'000	
Assets acquired in satisfaction of loans - Lebanon	88,799,677	88,840,827
Investment properties – Foreign operations	57,989,822	53,423,844
	146,789,499	**142,264,671**

11.1 Assets acquired in satisfaction of loans:

According to the Lebanese banking regulations, the acquisition of assets in settlement of loans requires the approval of the banking regulatory authorities and these should be liquidated within 2 years. In case of default of liquidation, a regulatory reserve should be appropriated from the yearly net profits over a period of 5 or 20 years as applicable. These assets are carried at cost less impairment allowance.

The movement of assets acquired in satisfaction of loans was as follows:

	Cost	Impairment Allowance	Carrying Value
	LBP'000		
Balance January 1, 2012	100,575,808	(9,283,464)	91,292,344
Foreclosures	1,764,270	-	1,764,270
Disposals	(4,271,301)	55,514	(4,215,787)
Balance December 31, 2012	**98,068,777**	**(9,227,950)**	**88,840,827**
Foreclosures	304,573	-	304,573
Disposals	(360,825)	15,102	(345,723)
Balance December 31, 2013	**98,012,525**	**(9,212,848)**	**88,799,677**

Gain on disposals amounted to LBP737million (LBP1.6billion in 2012).

The fair values of the assets acquired in satisfaction of loans exceeds their carrying value as at December 31, 2013 and 2012 which has been determined on the basis of real estate market values carried by independent real estate experts during the last three years.

11.2 Investment properties:

Foreclosed assets acquired by the Group's foreign entities are presented separately under investment properties and are measured at fair value. The table below shows the reconciliation of the carrying amounts:

	LBP'000
Balance January 1, 2012	17,595,768
Foreclosures	34,779,534
Effect of exchange rates changes	1,048,542
Balance January 31, 2012	**53,423,844**
Foreclosures	6,810,935
Revaluation loss	(4,428,962)
Disposals	(228,120)
Effect of exchange rates changes	2,412,125
Balance, December 31, 2013	**57,989,822**

Investment properties are categorized as Level 3 fair values on the basis that fair values are based on real estate market values made by independent real estate experts.

12. Property And Equipment

	Balance January 1, 2013	Additions	Disposals and Adjustments	Transfer between Accounts	Transfer to Computer Software	Translation Adjustment	Balance December 31, 2013
	LBP'000						
Cost/Revaluation:							
Owned properties	66,343,559	-	(582,723)	7,995	-	355,670	66,124,501
Computer hardware	19,593,374	538,270	(881,248)	399,590	-	341,942	19,991,928
Machines and equipment	4,409,448	505,550	(80,549)	166,229	-	26,625	5,027,303
Furniture and fixtures	6,447,892	213,417	(377,378)	417,765	-	98,261	6,799,957
Vehicles	916,440	10,281	(3,610)	-	-	15,814	938,925
Freehold and leasehold improvements	17,875,407	1,342,453	(116,167)	4,227,223	-	332,831	23,661,747
	115,586,120	**2,609,971**	**(2,041,675)**	**5,218,802**	**-**	**1,171,143**	**122,544,361**
Accumulated depreciation	(39,734,863)	(5,529,891)	1,641,415	-	-	(657,749)	(44,281,088)
Allowance for impairment of owned properties	(393,484)	-	-	-	-	(14,360)	(407,844)
	(40,128,347)	**(5,529,891)**	**1,641,415**	**-**	**-**	**(672,109)**	**(44,688,932)**
Advance payments	5,282,943	3,355,632	-	(5,218,802)	(515,572)	-	2,904,201
Carrying value	**80,740,716**						**80,759,630**

	Balance January 1, 2012	Additions	Disposals and Adjustments	Transfer Provision for Contingencies	Translation Adjustment	Balance December 31, 2012
	LBP'000					
Cost/Revaluation:						
Owned properties	66,460,745	172,458	(450,002)	-	160,358	66,343,559
Computer hardware	18,617,075	3,382,357	(2,569,163)	-	163,105	19,593,374
Machines and equipment	3,725,553	719,375	(47,617)	-	12,137	4,409,448
Furniture and fixtures	5,649,857	782,017	(31,906)	-	47,924	6,447,892
Vehicles	920,513	-	(11,259)	-	7,186	916,440
Freehold and leasehold improvements	14,716,685	3,135,835	(119,325)	-	142,212	17,875,407
	110,090,428	**8,192,042**	**(3,229,272)**	**-**	**532,922**	**115,586,120**
Accumulated depreciation	(38,691,694)	(3,940,690)	3,194,195	-	(296,674)	(39,734,863)
Allowance for impairment of owned properties	(82,308)	(321,751)	-	17,000	(6,425)	(393,484)
	(38,774,002)	**(4,262,441)**	**3,194,195**	**17,000**	**(303,099)**	**(40,128,347)**
Advance payments	4,984,603	298,340	-	-	-	5,282,943
Carrying value	**76,301,029**					**80,740,716**

13. Intangible Assets

Intangible assets consist of computer software and key money, the movement of which was as follows during 2013 and 2012:

	Carrying Value January 1, 2013	Additions	Transfer from Advance Payments under Property and Equipment	Amortization for the Year	Translation Adjustment	Carrying Value December 31, 2013
	LBP'000					
Computer software	3,766,897	1,573,919	515,572	(1,544,631)	53,380	4,365,137
Key money	51,255	-	-	(4,020)	-	47,235
	3,818,152	**1,573,919**	**515,572**	**(1,548,651)**	**53,380**	**4,412,372**

	Carrying Value January 1, 2012	Additions	Amortization for the Year	Translation Adjustment	Carrying Value December 31, 2012
	LBP'000				
Computer software	2,491,867	2,451,020	(1,197,812)	21,822	3,766,897
Key money	55,275	-	(4,020)	-	51,255
	2,547,142	**2,451,020**	**(1,201,832)**	**21,822**	**3,818,152**

14. Deferred Charges

	December 31,	
	2013	2012
	LBP'000	
Deferred charges on business acquisition (a)	12,079,213	22,387,239
Deferred charges against future cash flows (b)	84,217,433	-
	96,296,646	**22,387,239**

(a) In previous years, the Group acquired the shares of Lati Bank S.A.L. for a total consideration of USD20,037,192. The merger was completed in 2010 and was accompanied by a soft loan of LBP185billion (Note 19) from the Central Bank of Lebanon for a period of 4.5 years, to compensate for the excess consideration paid over the fair value of the net assets acquired. During 2011, and as a result of additional costs incurred by the Bank, another soft loan in the amount of LBP48.8billion was obtained from Central Bank of Lebanon for a period of 5 years.

The soft loans' proceeds were invested in Lebanese treasury bills, pledged in favor of the Central Bank of Lebanon as collateral against the soft loans obtained.

The excess consideration paid over the fair value of the net assets acquired and the related acquisition costs discussed above, amounted to LBP44.9billion. These costs were booked as deferred charges, to be amortized effective the date of each related soft loan, over their respective terms. Amortization charge is treated as a yield adjustment to the interest income on the pledged Lebanese treasury bills acquired from the soft loans proceeds. The amortization charge booked in 2013 amounted to LBP10.3billion (LBP9.8billion in 2012).

The movement of deferred charges on business acquisition during the year 2013 and 2012 was as follows:

	December 31,	
	2013	2012
	LBP'000	
Cost incurred:		
Balance as at January 1 & December 31	**44,965,451**	**44,965,451**
Accumulated amortization:		
Balance as at January 1,	(22,578,212)	(12,792,495)
Amortization for the year	(10,308,026)	(9,785,717)
Balance as at December 31,	**(32,886,238)**	**(22,578,212)**
Net carrying value as at December 31,	**12,079,213**	**22,387,239**

(b) Deferred charges equivalent to Euro40.6million (Nil in 2012) originated with offset to non-operating income booked against future cash flows to the extent of LBP77billion in addition to LBP3.2billion booked to retained earnings and LBP1.23billion to provision for contingencies. These deferred charges represent net projected cash flows deriving from future positive spreads on contractual medium term revolving low yield borrowing in the amount of LBP300billion made available to the Group during 2013 and withdrawn in January 2014. These deferred charges will be amortized effective 2014 as a yield adjustment to interest income on pledged government bonds acquired in 2014 from the loan proceeds.

15. Goodwill

Goodwill resulted from acquiring control of USB Bank PLC (Cyprus) on January 31, 2011.
The recoverable amount of the goodwill allocated to the Cypriot banking unit was estimated at LBP7.6billion and accordingly the Group has booked an impairment loss of LBP34billion.

The movement of goodwill during 2013 and 2012 was as follows:

	Euro	Counter Value in LBP
		LBP'000
Balance as at January 1, 2012	20,878,497	40,683,630
Adjustments	(111,412)	(217,096)
Effect of exchange rates changes	-	814,070
Balance as at December 31, 2012	**20,767,085**	**41,280,604**
Impairment loss	(17,087,888)	(34,268,905)
Other adjustment	1,991	3,993
Effect of exchange rates changes	-	621,926
Balance as at December 31, 2013	**3,681,188**	**7,637,618**

16. Other Assets

	December 31, 2013	December 31, 2012
	LBP'000	
Prepaid charges	13,265,343	7,710,488
Commission receivable	547,161	987,847
Collateral on dealings with "Visa International"	1,804,321	1,713,879
Sundry debtors (Net)	8,110,778	6,966,856
Regulatory blocked deposit	4,500,000	4,500,000
Fair value of forward exchange contracts	69,730	131,532
	28,297,333	**22,010,602**

Sundry debtors are stated net of impairment allowance of LBP3.24billion in 2013 and 2012 against advances made in previous years for purchases of property and equipment.

Regulatory blocked deposit represents a non-interest earning compulsory deposit placed with the Lebanese Treasury upon the establishment of the subsidiary investment bank during 2012. This deposit is refundable in case of cease of operations, according to article 132 of the Lebanese Code of Money and Credit.

17. Deposits From Banks

	December 31, 2013	December 31, 2012
	LBP'000	
Current deposits of banks and financial institutions	2,153,046	2,800,796
Short term deposits	-	9,000,157
Accrued interest payable	-	11,850
	2,153,046	**11,812,803**

18. Customers' Accounts

Accounts at amortized cost:

	December 31, 2013	December 31, 2012
	LBP'000	
Deposits:		
Current/demand deposits	1,001,296,014	988,754,524
Term deposits	5,125,110,892	5,138,380,608
Collateral against loans and advances	238,779,219	236,389,133
Margins and other accounts:		
Margins for irrevocable import letters of credit	5,833,710	3,056,980
Margins on letters of guarantee	24,543,716	22,938,482
Other margins	46,262,731	37,959,933
Blocked accounts	3,641,529	3,338,085
Accrued interest payable	36,116,077	39,484,245
Total	**6,481,583,888**	**6,470,301,990**

Customers' deposits include related parties deposits detailed as follows:

	December 31, 2013	December 31, 2012
	LBP'000	
Demand deposits	6,317,026	3,945,847
Term deposits	19,138,477	14,749,744
Collateral against loans and advances	352,203	481,574
Margins on letters of guarantee	1,500	750
Accrued interest payable	81,157	64,612
	25,890,363	**19,242,527**

Brackets of deposits were as follows:

December 31, 2013

	LBP		F/Cy		
	Total Deposits	% to Total Deposits	Total Deposits	% to Total Deposits	Total
	LBP'000	%	LBP'000	%	LBP'000
Less than LBP250million	747,721,356	31	802,071,430	20	1,549,792,786
Between LBP250million and LBP1.5billion	741,075,050	31	1,076,821,507	26	1,817,896,557
Above LBP1.5billion	908,058,590	38	2,205,835,955	54	3,113,894,545
	2,396,854,996	**100**	**4,084,728,892**	**100**	**6,481,583,888**

December 31, 2012

	LBP		F/Cy		
	Total Deposits	% to Total Deposits	Total Deposits	% to Total Deposits	Total
	LBP'000	%	LBP'000	%	LBP'000
Less than LBP250million	746,815,311	32	700,326,899	17	1,447,142,210
Between LBP250million and LBP1.5billion	733,705,918	31	1,026,698,404	25	1,760,404,322
Above LBP1.5billion	884,081,693	37	2,378,673,765	58	3,262,755,458
	2,364,602,922	**100**	**4,105,699,068**	**100**	**6,470,301,990**

Deposits from customers include coded deposit accounts in the aggregate of LBP136billion (LBP140.3billion in 2012). These accounts are subject to the provisions of Article 3 of the Banking Secrecy Law dated September 3, 1956 which stipulates that the Bank's management, in the normal course of business, cannot reveal the identities of these depositors to third parties, including its independent public accountants.

Deposits from customers include fiduciary deposits received from resident and non-resident banks for a total amount of LBP81.6billion and LBP156.3billion respectively (LBP79.9billion and LBP256.5billion respectively in 2012).

The average balance of deposits and related cost of funds over the last 3 years were as follows:

	Deposits in LBP		Deposits in F/Cy		
Year	Average Balance of Deposits	Average Interest Rate	Average Balance of Deposits	Average Interest Rate	Cost of Funds LBP
	LBP'000	%	LBP'000	%	LBP'000
2013	2,401,000,000	5.67	4,022,000,000	3.15	263,658,152
2012	2,230,000,000	5.71	3,714,000,000	3.38	253,073,884
2011	1,882,000,000	5.62	3,377,000,000	3.36	215,725,761

19. Other Borrowings

	December 31, 2013	December 31, 2012
	LBP'000	LBP'000
Soft loans from Central Bank of Lebanon (a)	251,499,500	251,499,500
Facilities granted from Central Bank of Lebanon (b)	205,121,972	165,825,000
Facilities granted from Central Bank of Cyprus (c)	-	83,487,180
Other borrowings (d)	9,735,435	12,673,132
Accrued interest payable	1,584,026	2,356,900
	467,940,933	**515,841,712**

(a) On May 13, 2010 the Bank was granted a soft loan in the amount of LBP185billion from the Central Bank of Lebanon for a period of 4.5 years maturing on November 6, 2014. This loan is collateralized by Lebanese treasury bills (Note 9).

On August 18, 2011 the Bank was granted another soft loan in the amount of LBP48.8billion from the Central Bank of Lebanon for a period of 5 years maturing on August 11, 2016. This loan is collateralized by Lebanese treasury bills (Note 9).

On March 29, 2012, the Bank was granted a new soft loan in the amount of LBP17.7billion from the Central Bank of Lebanon for a period of 7 years maturing on March 21, 2019. This loan is collateralized by Lebanese treasury bills (Note 9).

(b) On July 13, 2011 the Bank obtained a Stand-by Line facility from Central Bank of Lebanon with a limit reaching USD200million out of which USD110million (C/V LBP165.8billion) has been utilized as at December 31, 2013 and 2012. The facility has a maturity of up to 5 years and is collateralized by Lebanese government bonds (Note 9).

Facilities granted from Central Bank of Lebanon also include facilities in the amount of LBP39billion following Central Bank of Lebanon Basic Decision No. 6116 of March 7, 1996 and its amendments by which the Bank benefited from credit facilities granted against loans the Bank has granted, on their own responsibility, to their customers, pursuant to certain conditions, rules and mechanism. This facility is collateralized by Lebanese treasury bills (Note 9).

(c) On March 1, 2012 the Central Bank of Cyprus granted the Group's Cypriot banking subsidiary a loan in the amount of Euro42million, due to the deteriorating economic conditions in Cyprus, for the purpose of creating a liquidity buffer maturing on February 26, 2015 at an interest rate ranging between 0.75% and 1% per annum. This loan was deposited with the Central Bank of Cyprus on a weekly basis and pledged as collateral. The loan was settled during 2013 prior to maturity. (Note 5)

(d) Other borrowings include a loan for USD5million (C/V LBP7.54billion) obtained from a non-resident specialized investment fund on December 28, 2011. The proceeds of the loan are destined to fund micro, small, and medium enterprises in Lebanon and is repaid through 10 semi-annual payments of USD500,000 each starting July 2012 and over 5 years. USD3.5million was outstanding as at December 31, 2013 (USD4.5million in 2012).

Other borrowings also include a facility granted from the Arab Trade Financing Program (ATFP) on January 7, 2011 with a limit of USD4million for unconfirmed line of credit. This facility was granted to enhance the trades between Arab countries.

The remaining contractual maturities of all above borrowings are as follows:

	2013	2012
	LBP'000	LBP'000
Up to 1 year	192,550,710	9,753,782
1 to 3 years	217,605,500	271,502,180
3 to 5 years	753,750	216,851,750
Over 5 years	57,030,973	17,734,000
	467,940,933	**515,841,712**

20. Subordinated Bonds

	December 31,	
	2013	2012
	LBP'000	
Capital Securities	2,020,625	1,935,915
Non-convertible bonds	16,598,160	15,902,320
Convertible bonds	1,922,710	1,842,104
Accrued interest payable	4,056	3,938
	20,545,551	19,684,277

Capital Securities

The Capital Securities were issued on December 1, 2005 by the Bank's subsidiary in Cyprus and were offered to professional investors and to a specific number of non-professional investors in Cyprus. The Capital Securities rank as Tier I capital and have no maturity date, however, they may be redeemed in whole at the option of the subsidiary subject to the prior consent of the Central Bank of Cyprus, at their nominal amount together with any outstanding interest payments, five years after their issue date or on any interest payment date thereafter, and provided that they will be replaced with capital of equivalent or senior ranking unless the Central Bank of Cyprus concludes that the subsidiary's capital is at a satisfactory level.

The Capital Securities bear floating interest rate, which is revised at the beginning of each period and is valid for that specific period. Interest rate is equal to the base rate of the subsidiary at the beginning of each period interest is charged plus 1.60% annually. Interest is payable every six months, on June 30 and December 31. According to the terms of issue, if the subsidiary does not proceed with the repurchase of Capital Securities within ten years from their issuance date (i.e. up to November 30, 2015), then from December 1, 2015, the Capital Securities will bear floating interest rate that will be revised at the beginning of each period in which interest will be charged and will be equal to the base rate ruling at the beginning of each period interest is charged plus 2.25% annually.

Non-Convertible Bonds

On December 30, 2009 the Bank's subsidiary in Cyprus issued bonds amounting to Euro8million with a maturity date of December 31, 2019. The bonds constitute direct, unsecured, subordinated securities of the subsidiary and bear a fixed interest rate of 7.50% on the nominal value for the period from the issue date to December 30, 2014. From December 31, 2014 to their maturity, the bonds will bear a fixed annual interest rate of 9% on the nominal value.

The subsidiary has the right to redeem fully the bonds at any time before their maturity date, in cash at their nominal value, along with any accrued interest relating to the current interest rate period, on June 30, 2015, or on any following interest payment date, upon approval from the Central Bank of Cyprus.

Convertible Bonds

On June 14, 2010, the Bank's subsidiary in Cyprus issued Euro1,209,060 convertible bonds maturing on June 30, 2020. The convertible debentures are direct, unsecured and subordinated obligations of the subsidiary and carry a fixed annual rate of 7.25% on the nominal value for the period from the date of issue until June 30, 2015. From July 1, 2015 until their maturity, the convertible bonds will carry fixed interest rate 8.75% annually on the nominal value. Except the first interest period commencing on May 26, 2010 (inclusive) and maturing on June 30, 2010 (exclusive), each interest period will be 6 months.

The convertible bonds may, at the option of the holder, be converted into ordinary shares of the subsidiary in the year 2014.

The conversion price is set at the average closing price of the share of the subsidiary on the CSE for a period of 30 days prior to the beginning of each conversion period. For the conversion periods of the year 2014, the conversion prices are as described above, less 15% while the conversion price cannot be reduced below the nominal value of the shares.

The subsidiary in Cyprus has a right of early redemption of convertible bonds in whole, not in part, in cash at par plus accrued interest of the current interest period on June 30, 2015 or any interest payment date, after approval from the Central Bank of Cyprus.

21. Other Liabilities

	December 31, 2013	December 31, 2012
	LBP'000	
Withheld taxes and income tax payable	8,296,518	6,592,031
Deferred tax liability on accrued interest receivable	2,090,546	1,835,212
Deferred tax liability on future dividend distribution of subsidiaries	144,127	83,803
Deferred tax liability on other comprehensive income	616,530	616,530
Deferred tax on net unrealized gain on investment portfolio	2,745,727	3,352,634
Other deferred income tax liability	247,406	142,177
Due to the National Social Security Fund	588,819	512,139
Checks and incoming payment orders in course of settlement	15,210,004	16,991,804
Blocked capital subscriptions for companies under incorporation	637,126	276,172
Accrued expenses	16,467,552	11,160,151
Financial guarantees	720,006	772,433
Payable to personnel and directors	6,101,463	5,659,043
Sundry accounts payable	16,870,638	16,041,703
Deferred income	185,626	91,528
	70,922,088	**64,127,360**

During 2012, the Bank's tax returns for the year from 2007 up to 2010 inclusive were reviewed by the tax authorities and resulted in an additional tax liability of approximately LBP1.5billion booked in year 2013 against accrued expenses and provision for contingencies.

The Bank's tax returns for the years 2011 to 2013 are still subject for review by the tax authorities and any additional tax liability depends on the outcome of this review.

22. Provisions

Provisions consist of the following:

	December 31, 2013	December 31, 2012
	LBP'000	
Provision for staff end-of-service indemnity	5,148,724	6,878,404
Provision for contingencies	2,929,121	8,269,365
Provision for loss on foreign currency position	23,934	5,772
	8,101,779	**15,153,541**

The movement of the provision for staff end-of-service indemnity was as follows:

	2013	2012
	LBP'000	
Balance January 1	6,878,404	20,369,819
Additions (Note 33)	16,368	4,443,736
Additions - Legal expenses and sundry charges	65,066	60,995
Write back	(1,414,214)	(3,935,421)
Settlements	(396,900)	(407,330)
Transfer to trust bank (deposits)	-	(13,659,352)
Other adjustments	-	4,258
Effect of exchange rates changes	-	1,699
Balance December 31	**5,148,724**	**6,878,404**

Write-back include an amount of LBP894million (LBP3.94billion in 2012) representing estimated interest accumulated by the Lebanese National Social Security Fund.

During 2012 the Cypriot group entity transferred its staff retirement benefits in the aggregate amount of LBP13.7billion to a trust fund which was deposited in the fund account opened at the Group's Cypriot banking component under "Customers' Accounts".

The movement of the provision for contingencies was as follows:

	2013	2012
	LBP'000	
Balance January 1	8,269,365	15,596,824
Additions	277,200	204,900
Additions against deferred charges (Note 14)	1,226,633	-
Write back	-	(2,286,786)
Settlements	(6,844,077)	(1,116,948)
Transfer from provision for devaluation of owned properties	-	17,000
Transfer to allowance for collectively assessed loans (Note 8)	-	(4,145,625)
Balance December 31	**2,929,121**	**8,269,365**

During 2013, the Bank settled USD3.8million (LBP5.7billion) representing a lawsuit raised against the Bank in previous years booked against provision for contingency account.

23. Share Capital

At December 31, 2013 and 2012, the Bank's ordinary share capital consists of 152,700,000 fully paid shares of LBP1,000 par value each.

As at 2013 year-end, the Bank has a fixed exchange position in the amount of USD56,624,212, authorized by the Central Bank of Lebanon, to hedge its equity against exchange fluctuations within the limit of 60% of equity denominated in Lebanese Pound (USD56,624,212 as at 2012 year-end).

24. Preferred Shares

During 2013, the Bank issued 350,000 Tier I Non-Cumulative Perpetual Redeemable "Series C" preferred shares, at an issue price of USD100 per share with a nominal value of LBP1,000 each.

During 2010 and 2011, the Bank issued 400,000 and 550,000 Tier I Non-Cumulative Perpetual Redeemable "Series A" and "Series B" preferred shares respectively, at an issue price of USD100 per share with a nominal value of LBP1,000 each.

25. Reserves

	December 31,	
	2013	2012
	LBP'000	
Legal reserve (a)	32,742,114	27,165,172
Reserve for general banking risks (b)	35,332,266	27,520,432
Free reserves	62,010,135	61,941,286
	130,084,515	**116,626,890**
Regulatory reserve for assets acquired in satisfaction of loans (Note 11)	23,019,272	19,890,400
	153,103,787	**136,517,290**

(a) The legal reserve is constituted in conformity with the requirements of the Lebanese Money and Credit Law on the basis of 10% of the yearly net profits. This reserve is not available for distribution.

(b) The reserve for general banking risks is constituted according to local banking regulations, from net profit, on the basis of a minimum of 2 per mil and a maximum of 3 per mil of the total risk weighted assets, off-balance sheet risk and global exchange position as defined for the computation of the solvency ratio at year-end. The cumulative reserve should not be less than 1.25% at the end of the 10th year (2007) and 2% at the end of the 20th year.

26. Dividends Paid

The Bank's General Assembly held on May 22, 2013 resolved to distribute dividends to shareholders of LBP9.93billion equivalent of LBP65 per share (LBP26.72billion in 2012), and to distribute preferred shares earnings in the amount of LBP10billion (LBP3.99billion in 2012).

27. Interest Income

	2013	2012
	LBP'000	
Interest income from:		
Deposits with Central Banks	21,457,578	17,020,985
Deposits with banks and financial institutions	1,678,403	1,189,966
Deposits with Parent Bank	6,766	-
Loan to a bank	167,115	186,457
Investment securities (excluding FVTPL)	208,053,405	203,459,680
Loans and advances to customers	211,188,939	189,855,825
Interest realized on non-performing loans and advances to customers (Note 8)	10,357,259	8,980,040
Sundry interest income	3,979	197,966
	452,913,444	**420,890,919**

Interest income realized on non-performing loans and advances to customers represents recoveries of interest. Accrued interest on impaired loans and advances is not recognized until recovery/rescheduling agreements are signed with customers.

28. Interest Expense

	2013	2012
	LBP'000	
Interest expense on:		
Deposits and borrowings from banks	206,890	458,419
Soft loans from Central Bank of Lebanon	6,162,318	6,179,201
Customers' accounts at amortized cost	263,658,152	253,073,884
Interest on capital securities and bonds issued	1,491,130	1,443,732
Other borrowings	4,368,738	2,902,912
	275,887,228	**264,058,148**

29. Fee And Commission Income

	2013	2012
	LBP'000	
Commission on documentary credits	1,612,519	1,493,203
Commission on letters of guarantee	2,087,695	2,189,873
Commission on transactions with banks	48,121	51,270
Service fees on customers' transactions	12,490,222	12,352,616
Commission on loans and advances	6,408,209	5,664,572
Commission earned on insurance policies	4,758,264	6,176,611
Brokerage commission	1,620,745	701,001
Other	4,085,382	4,407,334
	33,111,157	**33,036,480**

30. Fee And Commission Expense

	2013	2012
	LBP'000	
Brokerage fees	1,481,461	1,603,307
Commission on transactions with banks and financial institutions	628,096	500,886
Commission paid to car dealers	1,360,186	1,166,458
Other	1,775,014	2,157,403
	5,244,757	**5,428,054**

31. Net Interest And Other Gain / (Loss) On Investment Securities At Fair Value Through Profit Or Loss

	2013	2012
	LBP'000	
Interest income	8,568,917	11,156,982
Dividends received	448,831	641,340
Net unrealized loss (Note 9)	(759,652)	(3,023,524)
Net realized gain / (loss)	2,441,390	(1,563,910)
	10,699,486	**7,210,888**

32. Other Operating Income

	2013	2012
	LBP'000	
Gain on sale of investment securities at amortized cost	-	3,918,209
Impairment of owned properties (Note 12)	-	(286,349)
Foreign exchange gain	4,012,252	4,074,843
Miscellaneous	1,036,190	1,089,474
	5,048,442	**8,796,177**

33. Staff Costs

	2013	2012
	LBP'000	
Salaries	49,831,304	47,742,282
Board of directors remunerations	4,709,538	5,002,005
Social security contributions	6,882,180	6,483,320
Provision for end-of-service indemnities (Note 22)	16,368	4,443,736
Bonuses and other staff benefits and costs	15,307,687	13,167,960
	76,747,077	**76,839,303**

34. General And Administrative Expenses

	2013	2012
	LBP'000	
Fees and taxes	3,127,887	2,600,136
Rent and building services	4,424,763	3,793,077
Legal and professional fees	4,961,633	4,832,855
Telephone and postage	1,866,453	1,706,295
Maintenance and repairs	7,164,813	6,441,721
Electricity and water	1,751,455	1,671,586
Heat, light and power	820,035	878,232
Insurance	1,861,400	1,614,926
Advertising and publicity	6,343,484	6,824,842
Public relations and entertainment	311,814	186,006
Printing and stationary	1,089,479	1,027,007
Subscriptions	2,080,658	2,089,131
Travel	590,404	623,297
Donations	24,532	87,307
Software implementation fees	15,614	86,470
Credit card expenses	1,133,699	1,026,888
Miscellaneous expenses	5,017,637	5,260,135
	42,585,760	**40,749,911**

35. Earnings Per Share

The computation of the basic earnings per share is based on the Group's net profit before non-recurring income, net of dividends to preferred shareholders and the weighted average number of outstanding shares during each year held by the Group. The weighted average number of shares to compute basic and diluted earnings per share is 152,700,000 shares in 2013 and 2012.

Basic and diluted earnings per share are LBP60 (LBP263 in 2012).

36. Financial Instruments With Off-Balance Sheet Risks

The guarantees and standby letters of credit and the documentary and commercial letters of credit represent financial instruments with contractual amounts representing credit risk. The guarantees and standby letters of credit represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties and are not different from loans and advances on the statement of financial position. However, documentary and commercial letters of credit, which represent written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments documents of goods to which they relate and, therefore, have significantly less risks.

Forward exchange contracts outstanding as of December 31, 2013 and 2012 represent positions held for customers' accounts. The Group entered into such instruments to serve the needs of customers, and these contracts are fully hedged by the Group.

37. Fiduciary Accounts

Fiduciary deposits include deposits invested in back-to-back lending and are related to resident lenders and borrowers in addition to fiduciary deposits held or invested on behalf of the Group's customers on a non-discretionary basis. The risks and rewards of the related operations belong to the account holders.

38. Assets In Safekeeping And Under Management

	December 31,	
	2013	2012
	LBP'000	
Correspondent banks	561,755	4,506,734
Current accounts with related parties	2,526,330	4,372,032
Unrealized loss on Future Contracts - Long	(8,798)	(165,282)
Unrealized loss on Future Contracts - Short	(708,915)	(1,650,977)
Unrealized gain/(loss) on FX Spot	491,700	46,072
Option on futures – Short Put	(610,236)	(818,134)
Option on futures – Short Call	(3,342)	-
Option on futures - Long Call	1,221	-
FX Options - Short put	(284,520)	(268,766)
FX Options - Short call	(227,890)	(11,549)
FX Options - Long call	710	-
FX Options - Long put	15,196	-
Equities	31,045,577	28,401,139
Mutual Funds	10,402	95,335
Bonds	2,803,372	2,866,353
Option on Equity - Long call	776,839	978,253
Option on Equity - Long put	4,598	-
Option on Equity - Short call	(4,899)	(4,108)
Option on Equity - Short put	(13,129)	(46,717)
Silver	789,094	375,936
Gold	1,217,860	1,375,930
	38,382,925	**40,052,251**

39. Cash And Cash Equivalents

Cash and cash equivalents for the purpose of the statement of cash flows consist of the following:

	December 31,	
	2013	2012
	LBP'000	
Cash on hand	46,611,703	34,243,664
Current accounts with Central Banks (excluding compulsory deposits)	52,798,974	222,623,059
Term placements with Central Bank of Lebanon (with original maturity of less than 3 months)	37,687,500	158,191,850
Checks in course of collection	35,322,980	32,850,870
Current accounts with correspondents	96,657,004	94,356,827
Current accounts with the parent bank	2,030,099	1,694,579
Current accounts with related parties	3,785,896	1,503,493
Term placements with correspondents (with original maturity of less than 3 months)	108,287,054	246,462,007
	383,181,210	**791,926,349**

Major non-cash transactions excluded from the statement of cash flows for the years ended December 31, 2013 and 2012 are summarized as follows:

(a) Transfer of LBP516million from property and equipment to intangible assets (Nil in 2012)

(b) Provision for contingencies in the amount of LBP1.23billion against deferred charges (Nil in 2012).

(c) Positive change in fair value of investments at fair value through other comprehensive income of LBP2billion (LBP481million and related deferred tax liability of LBP72million during 2012).

(d) Assets and investment properties acquired in satisfaction of loans in the amount of LBP7.1billion (LBP37.2billion in 2012).

(e) Transfer of provision of LBP4.14billion from provision for contingencies to collective provision under loans and advances during 2012.

(f) Transfer of LBP13.7billion from provision for end-of-service indemnity to trust Fund under customers' accounts at amortized cost during 2012.

40. Segment Information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's reportable segments are as follows:

Resident:

a. Corporate banking - includes services provided in relation to loans and other credit facilities and deposits and current accounts for corporate and institutional customers.

b. Retail banking - includes retail lending and deposits, banking services, insurance brokerage services, overdrafts, credit card facilities, and funds transfer facilities.

c. Treasury - includes treasury management, correspondent banking, proprietary trading, managing reserve and capital requirements, asset/liability management, and foreign exchange transactions.

d. Private banking - includes the operations with private banking clients including fiduciary deposits, equities and bonds trading, foreign exchange and others

e. Others - includes income from sale of assets, soft loan from Central Bank of Lebanon for the purpose of compensating for the excess consideration paid over the fair value of the net assets acquired from Lati Bank, depreciation, and other income and expenses.

Non-Resident:

The Group's subsidiary in Cyprus operates in a single segment and information is provided for management on that basis.

40.1 Distribution Of Assets And Liabilities By Segment

	December 31, 2013							
	Resident					Non-Resident		
	Corporate	Retail	Treasury	Private Banking	Other	Cyprus Entity	Elimination	Total
ASSETS	LBP'000							
Cash and banks	98,428	34,841,809	937,011,399	-	-	142,443,145	-	1,114,394,781
Investments at FVTPL	-	-	144,981,838	-	-	-	-	144,981,838
Loan to a bank	-	-	6,350,873	-	-	-	-	6,350,873
Loans and advances to customers	955,696,140	1,023,462,578	-	7,841,383	-	841,497,571	-	2,828,497,672
Investments at amortized cost	-	2,384,437,794	-	365,989,142	255,182,760	237,765,044	-	3,243,374,740
Investments at FVTOCI	-	-	-	-	14,494,569	-	-	14,494,569
Customers' liability under acceptances	22,289,704	730,321	-	-	-	182,150	-	23,202,175
Goodwill	-	-	-	-	7,637,618	-	-	7,637,618
Other assets	4,818,456	252,130	-	36,858	276,676,888	74,771,148	-	356,555,480
Inter-segments	-	531,166,418	-	377,238,699	429,858,979	-	(1,338,264,096)	-
Total Assets	**982,902,728**	**3,974,891,050**	**1,088,344,110**	**751,106,082**	**983,850,814**	**1,296,659,058**	**(1,338,264,096)**	**7,739,489,746**
Liabilities								
Deposits from banks	-	-	2,153,046	-	-	-	-	2,153,046
Customers' deposits	532,142,182	3,974,891,050	-	751,106,082	-	1,223,444,574	-	6,481,583,888
Liability under acceptances	23,020,025	-	-	-	-	182,150	-	23,202,175
Other borrowings	9,842,489	-	165,825,000	-	292,273,444	-	-	467,940,933
Subordinated bonds	-	-	-	-	-	20,545,551	-	20,545,551
Other liabilities and provisions	-	-	-	-	70,208,887	8,814,980	-	79,023,867
Inter-segments	417,898,032	-	920,366,064	-	-	-	(1,338,264,096)	-
Total Liabilities	**982,902,728**	**3,974,891,050**	**1,088,344,110**	**751,106,082**	**362,482,331**	**1,252,987,255**	**(1,338,264,096)**	**7,074,449,460**

	December 31, 2012							
	Resident					Non-Resident		
	Corporate	Retail	Treasury	Private Banking	Other	Cyprus Entity	Elimination	Total
ASSETS	**LBP'000**							
Cash and banks	100,000	23,872,888	1,203,173,470	-	-	274,443,395	-	1,501,589,753
Investments at FVTPL	-	-	175,365,114	-	-	1,470,362	-	176,835,476
Loan to a bank	-	-	7,057,567	-	-	-	-	7,057,567
Loans and advances to customers	873,443,101	925,190,787	-	17,242,701	2,305,444	859,057,893	-	2,677,239,926
Investments at amortized cost	-	2,111,476,947	-	326,803,940	251,499,501	283,277,382	-	2,973,057,770
Investments at FVTOCI	-	-	-	-	12,391,631	-	-	12,391,631
Customers' liability under acceptances	19,047,025	90,207	-	-	-	-	-	19,137,232
Goodwill	-	-	-	-	41,280,604	-	-	41,280,604
Other assets	4,817,978	351,652	-	43,256	195,870,928	70,137,566	-	271,221,380
Inter-segments	-	717,877,993	-	581,634,393	314,369,809	-	(1,613,882,195)	-
Total Assets	**897,408,104**	**3,778,860,474**	**1,385,596,151**	**925,724,290**	**817,717,917**	**1,488,386,598**	**(1,613,882,195)**	**7,679,811,339**
Liabilities								
Deposits from banks	-	-	11,812,803	-	-	-	-	11,812,803
Customers' deposits	459,498,195	3,778,860,474	-	925,724,290	-	1,306,219,031	-	6,470,301,990
Liability under acceptances	19,137,232	-	-	-	-	-	-	19,137,232
Other borrowings	12,848,830	-	165,825,000	-	253,071,941	84,095,941	-	515,841,712
Subordinated bonds	-	-	-	-	-	19,684,277	-	19,684,277
Other liabilities and provisions	-	-	-	-	70,461,987	8,818,914	-	79,280,901
Inter-segments	405,923,847	-	1,207,958,348	-	-	-	(1,613,882,195)	-
Total Liabilities	**897,408,104**	**3,778,860,474**	**1,385,596,151**	**925,724,290**	**323,533,928**	**1,418,818,163**	**(1,613,882,195)**	**7,116,058,915**

The geographical distribution of assets and liabilities is disclosed in Note 42.

40.2 Distribution Of Profit And Loss By Segment

Year Ended December 31, 2013

	Resident					Non-Resident	
	Corporate	Retail	Treasury	Private Banking	Other	Cyprus Entity	Total
	LBP'000						
Net interest income	54,511,399	67,400,461	16,455,827	(13,487,808)	4,099,002	48,047,335	177,026,216
Net commission income	6,828,174	15,312,658	(568,975)	1,675,808	(1,106,265)	5,725,000	27,866,400
Net interest and other gain on investments at FVTPL	-	-	11,094,828	-	-	(395,342)	10,699,486
Other operating income	669,975	486,702	2,368,757	(40,896)	645,961	917,943	5,048,442
Net impairment on loans and advances to customers	(3,071,390)	(3,724,518)	-	-	896,452	(54,654,699)	(60,554,155)
Goodwill impairment	-	-	-	-	(34,268,905)	-	(34,268,905)
Income generated from contractual future cash flows	-	-	-	-	77,159,472	-	77,159,472
Change in fair value on investment properties	-	-	-	-	-	(4,428,962)	(4,428,962)
Other (expense)/income - Net	(17,593,840)	(64,299,614)	(3,162,196)	(4,476,016)	1,958,345	(36,358,685)	(123,932,006)
Income tax expense	(2,465,718)	(3,558,864)	(1,863,425)	-	(3,241,104)	-	(11,129,111)
	38,878,600	**11,616,825**	**24,324,816**	**(16,328,912)**	**46,142,958**	**(41,147,410)**	**63,486,877**
Inter-segment	(27,833,714)	2,319,281	(21,650,279)	13,489,022	33,675,690	-	-
	11,044,886	**13,936,106**	**2,674,537**	**(2,839,890)**	**79,818,648**	**(41,147,410)**	**63,486,877**

Year Ended December 31, 2012

	Resident					Non-Resident	
	Corporate	Retail	Treasury	Private Banking	Other	Cyprus Entity	Elimination
	LBP'000						
Net interest income	46,763,032	57,174,326	13,663,205	(9,719,121)	8,010,084	40,941,245	156,832,771
Net commission income	5,219,527	15,460,377	(442,181)	784,414	(289,324)	6,875,613	27,608,426
Net interest and other gain on investments at FVTPL	-	-	10,058,331	-	-	(2,847,443)	7,210,888
Other operating income	688,730	443,985	4,908,443	4,274	765,248	1,985,497	8,796,177
Net impairment on loans and advances to customers	-	-	-	-	-	(3,981,392)	(3,981,392)
Provision for impairment of loans and advances	(1,552,277)	(4,727,206)	-	-	(1,710,697)	(13,312,978)	(21,303,158)
Other (expense)/income - Net	(16,407,672)	(62,491,076)	(4,051,655)	(4,579,068)	7,832,426	(35,226,995)	(114,924,040)
Income tax expense	(2,531,625)	(2,622,261)	(1,255,213)	(589,287)	(3,073,647)	-	(10,072,033)
	32,179,715	**3,238,145**	**22,880,930**	**(14,098,788)**	**11,534,090**	**(5,566,453)**	**50,167,639**
Inter-segment	(26,811,657)	5,200,199	(22,531,344)	15,501,731	28,641,071	-	-
	5,368,058	**8,438,344**	**349,586**	**1,402,943**	**40,175,161**	**(5,566,453)**	**50,167,639**

41. Collateral Given

The carrying values of financial assets given as collateral are as follows:

	December 31,				
	2013				2012
		Corresponding Facilities			
	Amount of Pledged Asset	Maturity Date	Amount of Facility	Nature of Facility	Amount of Pledged Assets
	LBP'000				
Lebanese treasury bills	185,000,000	November 6, 2014	185,000,000	Soft loan from Central Bank of Lebanon	185,000,000
Lebanese treasury bills	48,765,500	August 11, 2016	48,765,500	Soft loan from Central Bank of Lebanon	48,765,500
Lebanese treasury bills	17,734,000	March 21, 2019	17,734,000	Soft loan from Central Bank of Lebanon	17,734,000
Lebanese Government bonds	174,267,000	Up to 5 years	165,825,000	Stand-by line facility from Central Bank of Lebanon	174,267,000
Lebanese treasury bills	15,000,000	Over 5 years	39,296,972	Facilities from Central Bank of Lebanon	-
Blocked deposit with Central banks of Cyprus	-	-	-	Loan from Central Bank of Cyprus	83,487,180

42. Financial Risk Management

In the ordinary course of business, the Group is exposed to various risks which are managed and maintained at each Group entity level by applying its own processes of identification, measurement and monitoring.

A. Credit Risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to discharge an obligation. Financial assets that are mainly exposed to credit risk are deposits with banks, loans and advances to customers and investment securities. Credit risk also arises from off-balance sheet financial instruments such as letters of credit and letters of guarantee.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance affecting a particular industry or geographical location.

1. Management of Credit Risk

The Board of Directors has the responsibility to approve the general credit policy as recommended by the Credit Committee.

The Credit Committee has the responsibility for the development of the credit function strategy and implementing principles, frameworks, policies and limits.

2. Measurement of Credit Risk

(a) Loans and advances to customers

The commercial and consumer credit extension divisions manage credit risk based on the risk profile of the borrower, repayment source and the nature of the underlying collateral given current events and conditions.

Assessment of the credit risk profile of an individual counterparty is based on an analysis of the borrower's financial position in conjunction with current industry, economic and macro geopolitical trends. As part of the overall credit risk assessment of a borrower, each credit exposure or transaction is assigned a risk rating and is subject to the Credit Committee's approval based on defined credit approval standards. Subsequent to loan origination, risk ratings are adjusted on an ongoing basis, if necessary, to reflect changes in the obligor's financial condition, cash flows or ongoing financial viability.

The Group assesses the probability of default of individual counterparties and classifies these commitments to reflect the probability of default as listed below:

Watch List: Debts that are not impaired but for which management determines that they require special monitoring due to a deficiency in the credit file regarding collateral, financial position or profitability.

Past Due But Not Impaired: Debts where contractual interest or principal are past due but management believes that classification as impaired is not appropriate on the basis of the level of collateral available and the stage of collection of amounts owed.

Rescheduled Debts: Debts that have been restructured after they have been classified as substandard or doubtful and where the Group has made concessions that it would not otherwise consider. Once a loan is restructured, the last classification as substandard or doubtful does not change.

Substandard Debts: Debts that have characteristics such as significant deterioration in profitability and cash flows for a long period and in collateral, the occurrence of recurring delays in settlement of maturing payments, or the facilities are not utilized for the purpose they were intended for.

Doubtful Or Bad Debts: Debts that have the characteristics of substandard debts, in addition to that they are considered to be at a higher degree of risk due to the continued deterioration of the debtor's situation and the adequacy of collateral, the discontinuity of deposit movement or repayment, or not respecting the maturities of the rescheduling of the debt for a period exceeding 3 months from maturity date. The debt becomes bad when the expected amount to be collected is nil or negligible.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loan loss allowance established in respect of losses that management considers have been increased but not been identified as loans subject to individuals assessment for impairment.

The Group writes off a loan / security balance (and any related allowances for impairment losses) when it determines it will not be collectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower / issuer's financial position such as the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure or financial instruments.

(b) Debt securities

The risk of the debt instruments included in the investment portfolio relates mainly to sovereign risk.

3. Risk Mitigation Policies

The Group mainly employs collateral to mitigate credit risk. The principal collateral types for loans and advances are:

- Pledged deposits;
- Mortgages over real estate properties (land, commercial and residential properties);
- Bank guarantees.

Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral usually is not held against investment securities.

4. Financial Assets With Credit Risk Exposure And Related Concentrations

(a) Exposure To Credit Risk And Concentration By Counterparty:

The tables below reflect the Group's exposure to credit risk by counterparty segregated between the categories of deposits with banks and financial institutions and loans and advances:

(a.1) **Distribution Of Deposits With Banks And Financial Institutions By Brackets:**

	December 31, 2013			December 31, 2012		
	Balance	% to Total	No. of Counterparties	Balance	% to Total	No. of Counterparties
	LBP'000	%		LBP'000	%	
Less than LBP5billion	32,488,840	13	47	27,811,499	8	71
From LBP5billion to LBP15billion	60,281,795	23	7	45,903,320	12	5
From LBP15billion to LBP30billion	134,579,700	52	7	208,440,726	55	10
From LBP30billion to LBP50billion	30,579,942	12	1	96,040,154	25	3
	257,930,277	**100**	**62**	**378,195,699**	**100**	**89**

(a.2) **Distribution Of Performing Loans And Advances To Customers By Brackets (Regular And Watch List):**

	December 31, 2013			December 31, 2012		
	Balance	% to Total	No. of Counterparties	Balance	% to Total	No. of Counterparties
	LBP'000	%		LBP'000	%	
Less than LBP0.5billion	1,109,022,225	44	62,269	1,060,233,359	41	59,000
From LBP0.5billion to LBP1,5billion	295,814,289	12	365	296,475,892	12	365
More than LBP1.5billion	1,104,694,104	44	187	1,210,398,464	47	226
	2,509,530,618	**100**	**62,821**	**2,567,107,715**	**100**	**59,591**

(a.3) Details Of The Group's Exposure To Credit Risk With Respect To Loans And Advances To Customers:

	December 31, 2013			Fair Value of Collateral Received							
	Gross Exposure Net of Unrealized Interest and Discount	Allowance for Impairment	Net Exposure	Pledged Funds	Bank Guarantees	First Degree Mortgage on Properties	Equity Securities	Debt Securities	Others	Total Guarantees	Lesser of Individual Exposure or Total Guarantees
	LBP'000								LBP'000		
Performing	2,509,530,618	-	2,509,530,618	221,724,552	73,089,681	1,345,391,693	28,378,905	561,602	430,218,602	2,099,365,035	1,583,380,502
Substandard	4,587,604	-	4,587,604	-	511,648	1,183,666	-	-	322,254	2,017,568	1,619,081
Doubtful	479,966,238	(117,473,732)	362,492,506	6,636,231	1,414,782	305,290,735	38,367,650	-	15,752,157	367,461,555	283,691,651
Loss	43,582,348	(43,578,787)	3,561	529	731,777	-	13,500	-	2,640,500	3,386,306	2,389,822
Loan portfolio purchased	2,198,725	-	2,198,725	-	-	-	-	-	-	-	-
Collective provision	-	(50,315,342)	(50,315,342)	-	-	-	-	-	-	-	-
	3,039,865,533	**(211,367,861)**	**2,828,497,672**	**228,361,312**	**75,747,888**	**1,651,866,094**	**66,760,055**	**561,602**	**448,933,513**	**2,472,230,464**	**1,871,081,056**

	December 31, 2012			Fair Value of Collateral Received							
	Gross Exposure Net of Unrealized Interest and Discount	Allowance for Impairment	Net Exposure	Pledged Funds	Bank Guarantees	First Degree Mortgage on Properties	Equity Securities	Debt Securities	Others	Total Guarantees	Lesser of Individual Exposure or Total Guarantees
	LBP'000								LBP'000		
Performing	2,567,107,715	-	2,567,107,715	232,574,820	63,595,904	1,401,282,113	83,740,741	567,453	419,180,254	2,200,941,285	1,671,861,651
Substandard	25,842,413	-	25,842,413	3,134,509	301,179	13,676,373	-	-	3,631,762	20,743,823	16,789,377
Doubtful	201,095,228	(102,142,020)	98,953,208	824,825	706,251	72,514,627	399,479	-	10,832,148	85,277,330	70,464,797
Loss	30,558,271	(30,531,772)	26,499	529	592,192	7,226	13,500	-	1,951,957	2,565,404	1,582,031
Loan portfolio purchased	2,199,865	-	2,199,865	-	-	-	-	-	-	-	-
Collective provision	-	(16,889,774)	(16,889,774)	-	-	-	-	-	-	-	-
	2,826,803,492	**149,563,566**	**2,677,239,926**	**236,534,683**	**65,195,526**	**1,487,480,339**	**84,153,720**	**567,453**	**435,596,121**	**2,309,527,842**	**1,760,697,856**

Overdue but not impaired loans as at December 31, 2013 and 2012 are as follows:

	December 31,	
	2013	2012
	LBP'000	
Between 60 and 90 days	16,716,000	24,875,000
Between 90 and 180 days	24,029,000	34,870,000
Between 180 and 360 days	13,291,000	18,624,000
Over 360 days	16,827,000	56,424,000
	70,863,000	**134,793,000**

Above overdue accounts relate to Group entities operating in the following geographic locations:

	December 31,	
	2013	2012
	LBP'000	
Lebanon	65,369,000	55,881,000
Cyprus	5,494,000	78,912,000
	70,863,000	**134,793,000**

(a.4) Concentration Of Major Financial Assets And Liabilities By Geographical Location:

	December 31, 2013					
	Lebanon	Middle East and Africa	North America	Eurozone	Other	Total
	LBP'000					
ASSETS						
Cash and Central Banks	763,241,374	-	-	93,223,130	-	856,464,504
Deposits with banks and financial Institutions	38,271,732	49,905,641	44,412,341	124,392,100	948,463	257,930,277
Investments at fair value through profit or loss	113,142,718	2,359,552	-	29,479,568	-	144,981,838
Investments at fair value through other comprehensive income	14,392,059	-	-	102,510	-	14,494,569
Loan to a bank	6,350,873	-	-	-	-	6,350,873
Loans and advances to customers	1,935,037,818	37,087,832	2,221,540	851,682,060	2,468,422	2,828,497,672
Investments at amortized cost	3,005,230,822	-	45,375,839	187,830,066	4,938,013	3,243,374,740
Total	**5,875,667,396**	**89,353,025**	**92,009,720**	**1,286,709,434**	**8,354,898**	**7,352,094,473**
LIABILITIES						
Deposits from banks	1,057,050	758,170	7,092	330,734	-	2,153,046
Customers' accounts at amortized cost	4,498,582,950	437,126,974	33,998,518	1,401,054,780	110,820,666	6,481,583,888
Other borrowings	458,098,444	4,460,331	-	5,382,158	-	467,940,933
Subordinated bonds	-	-	-	20,545,551	-	20,545,551
Total	**4,957,738,444**	**442,345,475**	**34,005,610**	**1,427,313,223**	**110,820,666**	**6,972,223,418**

	December 31, 2012					
	Lebanon	Middle East and Africa	North America	Eurozone	Other	Total
	LBP'000					
ASSETS						
Cash and Central Banks	881,010,348	-	-	242,383,706	-	1,123,394,054
Deposits with banks and financial Institutions	43,469,305	107,249,209	56,420,222	170,012,374	1,044,589	378,195,699
Investments at fair value through profit or loss	168,939,626	-	-	7,895,850	-	176,835,476
Investments at fair value through other comprehensive income	12,391,631	-	-	-	-	12,391,631
Loan to a bank	7,057,567	-	-	-	-	7,057,567
Loans and advances to customers	1,721,974,438	40,873,851	1,493,260	911,631,534	1,266,843	2,677,239,926
Investments at amortized cost	2,689,384,457	-	54,306,884	224,547,063	4,819,366	2,973,057,770
Total	**5,524,227,372**	**148,123,060**	**112,220,366**	**1,556,470,527**	**7,130,798**	**7,348,172,123**
LIABILITIES						
Deposits from banks	10,133,135	1,485,249	8,924	185,495	-	11,812,803
Customers' accounts at amortized cost	4,265,218,769	376,309,129	25,518,581	1,697,242,156	106,013,355	6,470,301,990
Other borrowings	418,896,941	5,918,063	-	91,026,708	-	515,841,712
Subordinated bonds	-	-	-	19,684,277	-	19,684,277
Total	**4,694,248,845**	**383,712,441**	**25,527,505**	**1,808,138,636**	**106,013,355**	**7,017,640,782**

B. Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately.

1. Management Of Liquidity Risk

Liquidity management involves maintaining ample and diverse funding capacity, liquid assets and other sources of cash to accommodate fluctuations in asset and liability levels due to changes in their business operations or unanticipated events. Through Assets and Liabilities Committee, the Board of Directors is responsible for establishing the liquidity policy as well as approving operating and contingency procedures and monitoring liquidity on an ongoing basis. The treasury department is responsible for planning and executing their funding activities and strategy.

Liquidity management and business unit activities are managed consistent with a strategy of funding stability, flexibility and diversity. It includes:

- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can bet met;
- Maintenance of a portfolio of liquid and marketable assets;
- Daily and forecast cash flow management;
- Implementation of long-term funding strategies;

The cumulative impact of these various elements is monitored on at least a monthly basis by ALCO. Monitoring and reporting take the form of cash flow measurement and projections. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection data of the financial assets.

2. Exposure To Liquidity Risk

Regulatory Requirements

The Group ensures that it is in compliance with the liquidity limits in Lebanese Pound and foreign currencies as established by Central Bank of Lebanon.

The table below shows the allocation of major monetary liabilities based on the earliest possible contractual maturity (undiscounted values). The expected maturities vary significantly from the contractual maturities namely with regard to customers' deposits.

	December 31, 2013					
	Up to 3 Months	3 Months to 1 Year	1 Year to 3 Years	3 Years to 5 Years	Over 5 Years	Total
	LBP'000					
Deposits from banks	2,153,046	-	-	-	-	2,153,046
Customers' accounts at amortized cost	5,315,209,466	1,159,180,902	5,808,708	1,384,812	-	6,481,583,888
Other borrowings	2,337,775	190,212,935	217,605,500	753,750	57,030,973	467,940,933
Subordinated bonds	3,823	-	-	-	20,541,728	20,545,551
	5,319,704,110	**1,349,393,837**	**223,414,208**	**2,138,562**	**77,572,701**	**6,972,223,418**

	December 31, 2012					
	Up to 3 Months	3 Months to 1 Year	1 Year to 3 Years	3 Years to 5 Years	Over 5 Years	Total
	LBP'000					
Deposits from banks	11,812,803	-	-	-	-	11,812,803
Customers' accounts at amortized cost	5,201,460,292	1,260,065,049	7,792,272	810,725	173,652	6,470,301,990
Other borrowings	9,000,032	753,750	271,502,180	216,851,750	17,734,000	515,841,712
Subordinated bonds	3,938	-	-	-	19,680,339	19,684,277
	5,222,277,065	**1,260,818,799**	**279,294,452**	**217,662,475**	**37,587,991**	**7,017,640,782**

C. Market Risks

The market risk is the risk that the fair value or future cash flows of a financial instrument will be affected because of changes in market prices such as interest rate, equity prices, foreign exchange and credit spreads.

Currency risk

Foreign exchange risk represents exposures to changes in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include investments in foreign currency-denominated loans, foreign currency denominated securities, future cash flows in foreign currencies arising from foreign exchange transactions, and foreign-currency denominated debt.

Exposure To Foreign Exchange Risk:

Below is the carrying value of assets and liabilities segregated by major currencies to reflect Group's exposures to foreign currency exchange risk at year end:

	December 31, 2013					
	LBP	USD	Euro	STG	Other	total
	LBP'000					
ASSETS						
Cash and Central Banks	263,151,374	495,116,385	96,649,455	1,524,602	22,688	856,464,504
Deposits with banks and financial Institutions	2,660,830	166,391,650	67,208,370	13,478,870	8,190,557	257,930,277
Loan to a bank	6,350,873	-	-	-	-	6,350,873
Investments at fair value through profit or loss	52,050,041	92,931,724	73	-	-	144,981,838
Loans and advances to customers	567,965,017	1,396,896,401	849,232,139	4,740,525	9,663,590	2,828,497,672
Investments at amortized cost	2,094,450,329	918,702,588	221,605,371	8,616,452	-	3,243,374,740
Investments at fair value through other comprehensive income	7,595,542	6,888,819	10,208	-	-	14,494,569
Customers' liability under acceptances	450,000	13,196,020	7,435,294	-	2,120,861	23,202,175
Assets acquired in satisfaction of loans	13,357,999	75,441,678	-	-	-	88,799,677
Investment properties	-	-	57,989,822	-	-	57,989,822
Property and equipment	68,921,145	-	11,838,485	-	-	80,759,630
Intangible assets	3,109,950	-	1,302,422	-	-	4,412,372
Deferred charges	12,079,214	-	84,217,432	-	-	96,296,646
Goodwill	-	-	7,637,618	-	-	7,637,618
Other assets	14,944,416	11,391,802	1,844,549	37,130	9,706	28,227,603
Total Assets	**3,107,086,730**	**3,176,957,067**	**1,406,971,238**	**28,397,579**	**20,007,402**	**7,739,420,016**
LIABILITIES						
Deposits from banks	568,099	1,303,599	270,966	4,911	5,471	2,153,046
Customers' accounts at amortized cost	2,396,854,996	2,681,876,021	1,366,852,419	28,475,857	7,524,595	6,481,583,888
Liability under acceptances	450,000	13,196,020	7,435,294	-	2,120,861	23,202,175
Other borrowings	292,152,815	175,788,118	-	-	-	467,940,933
Subordinated bonds	-	-	20,545,551	-	-	20,545,551
Other liabilities	36,352,260	24,683,079	9,740,545	22,097	124,107	70,922,088
Provisions	5,654,773	1,220,373	1,226,633	-	-	8,101,779
Total liabilities	**2,732,032,943**	**2,898,067,210**	**1,406,071,408**	**28,502,865**	**9,775,034**	**7,074,449,460**
Currency to be received	-	36,821,908	7,624,780	-	27,664,415	72,111,103
Currency to be delivered	7,526,313	27,821,685	6,950,480	-	29,742,895	72,041,373
	7,526,313	**9,000,223**	**674,300**	**-**	**(2,078,480)**	**69,730**
Net assets	**367,527,474**	**287,890,080**	**1,574,130**	**(105,286)**	**8,153,888**	**665,040,286**

	December 31, 2012					
	LBP	USD	Euro	STG	Other	total
	LBP'000					
ASSETS						
Cash and Central Banks	339,296,542	493,906,516	288,162,909	2,000,824	27,263	1,123,394,054
Deposits with banks and financial Institutions	10,790,189	325,797,344	21,449,231	13,268,938	6,889,997	378,195,699
Loan to a bank	7,057,567	-	-	-	-	7,057,567
Investments at fair value through profit or loss	94,262,800	81,102,315	1,470,361	-	-	176,835,476
Loans and advances to customers	529,525,170	1,274,098,532	860,556,129	2,351,084	10,709,011	2,677,239,926
Investments at amortized cost	1,899,803,380	797,494,519	267,382,507	8,377,364	-	2,973,057,770
Investments at fair value through other comprehensive income	5,595,542	6,786,309	9,780	-	-	12,391,631
Customers' liability under acceptances	450,000	12,889,580	4,524,953	-	1,272,699	19,137,232
Assets acquired in satisfaction of loans	13,275,458	75,565,369	-	-	-	88,840,827
Investment properties	-	-	53,423,844	-	-	53,423,844
Property and equipment	69,090,694	-	11,650,022	-	-	80,740,716
Intangible assets	2,707,751	-	1,110,401	-	-	3,818,152
Deferred charges	22,387,239	-	-	-	-	22,387,239
Goodwill	-	-	41,280,604	-	-	41,280,604
Other assets	12,746,676	6,870,711	2,249,214	2,721	9,748	21,879,070
Total Assets	**3,006,989,008**	**3,074,511,195**	**1,553,269,955**	**26,000,931**	**18,908,718**	**7,679,679,807**
LIABILITIES						
Deposits from banks	9,503,158	2,209,787	85,795	4,796	9,267	11,812,803
Customers' accounts at amortized cost	2,364,602,922	2,635,790,785	1,436,727,635	26,428,287	6,752,361	6,470,301,990
Liability under acceptances	450,000	12,889,580	4,524,953	-	1,272,699	19,137,232
Other borrowings	252,837,599	178,908,172	84,095,941	-	-	515,841,712
Subordinated bonds	-	-	19,684,277	-	-	19,684,277
Other liabilities	27,992,778	23,300,053	12,675,303	126,621	32,605	64,127,360
Provisions	6,654,236	8,499,305	-	-	-	15,153,541
Total liabilities	**2,662,040,693**	**2,861,597,682**	**1,557,793,904**	**26,559,704**	**8,066,932**	**7,116,058,915**
Currency to be received	-	48,255,575	20,172,093	-	36,916,365	105,344,033
Currency to be delivered	22,155,463	24,457,143	19,922,645	-	38,677,250	105,212,501
	(22,155,463)	**23,798,432**	**249,448**	**-**	**(1,760,885)**	**131,532**
Net assets	**322,792,852**	**236,711,945**	**(4,274,501)**	**(558,773)**	**9,080,901**	**563,752,424**

Interest rate risk

Interest rate risk represents exposures to instruments whose values vary with the level or volatility of interest rates. These instruments include, but are not limited to, loans, debt securities, certain trading-related assets and liabilities, deposits, borrowings and derivative instruments. Interest rate repricing gap is used to estimate the impact on earnings of an adverse movement in interest rates.

- ***Exposure to Interest rate risk***

Below is a summary of the Group's interest rate gap position on major financial assets and liabilities reflected at carrying amounts at year end by repricing time bands:

	December 31, 2013							
	Weighted Average Effective Interest Rate	Not Subject to Interest	Less than 3 Months	3 Months to 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
	%	LBP'000						
ASSETS								
Cash and Central Banks	2.49	202,195,573	422,536,431	46,732,500	-	-	185,000,000	856,464,504
Deposits with banks and financial institution	0.56	132,653,682	125,271,595	5,000	-	-	-	257,930,277
Loan to a bank	2.64	50,873	6,300,000	-	-	-	-	6,350,873
Investments at fair value through profit or loss	6.12	10,038,907	25,099	67,900,184	25,905,830	6,901,540	34,210,278	144,981,838
Loans and advances to customers	8.27	320,814,639	2,008,191,787	165,086,277	20,463,429	27,434,880	286,506,660	2,828,497,672
Investment securities at amortized cost	6.60	57,606,886	128,298,671	299,270,855	802,356,015	779,552,581	1,176,289,732	3,243,374,740
Investments at fair valuethrough other comprehensive income	-	14,494,569	-	-	-	-	-	14,494,569
		737,855,129	**2,690,623,583**	**578,994,816**	**848,725,274**	**813,889,001**	**1,682,006,670**	**7,352,094,473**
LIABILITIES								
Deposits from banks and financial institutions	3.72	-	2,153,046	-	-	-	-	2,153,046
Customer's deposits and credit balances	4.11	691,714,978	4,986,465,714	796,209,677	5,808,708	1,384,811	-	6,481,583,888
Other borrowings	2.26	1,584,026	171,101,250	189,459,185	48,765,500	-	57,030,972	467,940,933
Subordinated bonds	7.45	4,056	-	16,598,160	3,943,335	-	-	20,545,551
		693,303,060	**5,159,720,010**	**1,002,267,022**	**58,517,543**	**1,384,811**	**57,030,972**	**6,972,223,418**

	December 31, 2012							
	Weighted Average Effective Interest Rate	Not Subject to Interest	Less than 3 Months	3 Months to 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
	%	LBP'000						
ASSETS								
Cash and Central Banks	2.00	347,312,206	526,961,848	22,612,500	1,507,500	-	225,000,000	1,123,394,054
Deposits with banks and financial institution	0.42	96,029,520	279,874,600	2,291,579	-	-	-	378,195,699
Loan to a bank	2.65	57,567	7,000,000	-	-	-	-	7,057,567
Investments at fair value through profit or loss	7.23	14,815,081	46,352,744	58,040,602	55,785,091	1,084,833	757,125	176,835,476
Loans and advances to customers	7.67	110,132,210	1,926,649,441	134,772,549	85,879,371	45,074,872	374,731,483	2,677,239,926
Investment securities at amortized cost	6.84	51,069,215	96,760,739	198,944,148	858,939,278	891,470,002	875,874,388	2,973,057,770
Investments at fair valuethrough other comprehensive income	-	12,391,631	-	-	-	-	-	12,391,631
		631,807,430	**2,883,599,372**	**416,661,378**	**1,002,111,240**	**937,629,707**	**1,476,362,996**	**7,348,172,123**
LIABILITIES								
Deposits from banks and financial institutions	2.02	1,375,781	10,025,707	411,315	-	-	-	11,812,803
Customer's deposits and credit balances	4.26	824,956,350	4,722,928,833	824,217,429	97,314,858	710,870	173,650	6,470,301,990
Other borrowings	2.07	-	171,974,806	-	269,817,441	56,184,895	17,864,570	515,841,712
Subordinated bonds	7.33	3,938	-	-	19,680,339	-	-	19,684,277
		826,336,069	**4,904,929,346**	**824,628,744**	**386,812,638**	**56,895,765**	**18,038,220**	**7,017,640,782**

43. Commitments And Contingencie

The Group is defendant in lawsuits filed by different parties amounting to around USD 3million. According to the Group's legal advisors, the outcome of these claims cannot be reliably assessed at present.

The Bank's tax return for the years 2011 to 2013 are still subject for review by the tax authorities and any additional tax liability depends on the outcome of this review.

44. Capital Management

The Group manages its capital to comply with the capital adequacy requirements set by Central Bank of Lebanon.

Central Bank of Lebanon requires each bank or banking group to hold a minimum level of regulatory capital of LBP10billion for the head office and LBP 500million for each local branch.

The Group's capital is split as follows:

Tier I capital: Comprises share capital (common and preferred), premium on preferred shares, reserves from appropriation of profits, retained earnings after deductions for goodwill and intangible assets and other regulatory adjustments.

Tier II capital: Comprises 50% cumulative change in fair value for investments classified at fair value through other comprehensive income and subordinated bonds.

The Group's consolidated capital adequacy ratio was as follows:

	December 31,	
		Represented for Consistency Purposes
	2013	2012
	LBPmillion	
Common equity Tier I	405,736	322,112
Additional Tier I capital	196,639	143,213
	602,375	**465,325**
Tier II capital	23,292	21,617
Total regulatory capital	**625,667**	**486,942**
Credit risk	3,848,645	3,705,059
Market risk	93,459	100,789
Operational risk	381,084	321,199
Risk-weighted assets and risk-weighted off-balance sheet items	**4,323,188**	**4,127,047**
Equity Tier I ratio	9.39%	7.80%
Tier I capital ratio	13.93%	11.28%
Risk based capital ratio- Tier I and Tier II capital	14.47%	11.80%

45. Fair Value Of Financial Assets And Liabilities:

The following table shows the carrying amounts and fair values of financial assets and liabilities recognized in the consolidated financial statements, including their levels in the fair value hierarchy. It does not include financial assets and financial liabilities which are not measured at fair value and where the directors consider that the carrying amounts of these financial assets and liabilities are reasonable approximations of their fair value:

	December 31, 2013					
			Fair Value			
	Note	Carrying amount	Level 1	Level 2	Level 3	total
		LBP'000				
Financial assets measured at fair value						
Investments at fair value through profit or loss:						
Quoted equity securities	9	5,903,907	5,903,907	-	-	5,903,907
Unquoted equity securities	9	1,325	-	-	1,325	1,325
Lebanese Treasury bills	9	15,191,427	-	15,191,427	-	15,191,427
Lebanese Government bonds	9	21,466,711	-	21,466,711	-	21,466,711
Foreign Government bonds	9	19,283,379	19,283,379	-	-	19,283,379
Foreign Eurobonds	9	44,887,599	44,887,599	-	-	44,887,599
Certificates of deposit issued by the Central Bank of Lebanon	9	35,835,876	-	35,835,876	-	35,835,876
Unquoted equities at fair value through other comprehensive income:	**9**					
Bancassurance S.A.L.		8,030,000	-	-	8,030,000	8,030,000
Other investments	9	6,464,569	-	-	6,464,569	6,464,569
		157,064,793	**70,074,885**	**72,494,014**	**14,495,894**	**157,064,793**
Financial assets not measured at fair value						
Term placements with Central Bank of Lebanon	5	622,175,000	-	624,695,546	-	624,695,546
Loans and advances (net of allowances)	8	2,828,497,672	-	2,845,495,643	-	2,845,495,643
Investments at amortized cost:						
Lebanese Treasury bills	9	1,142,442,532	-	1,144,616,453	-	1,144,616,453
Lebanese Government bonds	9	724,521,219	-	724,807,000	-	724,807,000
Foreign Government bonds	9	166,546,592	126,715,748	29,673,750	358,785	156,748,283
Certificates of deposit issued by the Central Bank of Lebanon	9	1,085,452,632	-	1,085,619,019	-	1,085,619,019
Corporate bonds	9	66,804,880	67,482,320	-	-	67,482,320
		6,636,440,527	**194,198,068**	**6,454,907,411**	**358,785**	**6,649,464,264**
Financial assets not measured at fair value						
Other Borrowings	19	467,940,933	-	460,440,198	-	460,440,198
		467,940,933	-	**460,440,198**	**-**	**460,440,198**

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

The directors consider that the carrying amounts of cash, compulsory and other short term deposits with Central Bank, deposits from banks and accounts payable approximate their fair values due to the short-term maturities of these instruments. For customers' accounts, this is largely due to their short term contractual maturities.

Valuation techniques, significant unobservable inputs, and sensitivity of the input to the fair value

The following table gives information about how the fair values of financial instruments included in the consolidated financial statements, are determined (Level 2 and Level 3 fair values) and significant unobservable inputs used:

	December 31, 2013		
Financial instruments	Date of valuation	Valuation technique and key inputs	Significant unobservable inputs
Lebanese treasury bills	31-Dec-13	DCF at a discount rate determined based on the yield curve applicable to Lebanese treasury bills, adjusted for illiquidity.	N/A
Certificates of deposits in LBP issued by Central Bank	31-Dec-13	DCF at a discount rate determined based on the yield curve applicable to Lebanese treasury bills, adjusted for illiquidity.	N/A
Certificates of deposits in foreign currencies issued by Central Bank	31-Dec-13	DCF at discount rates based on observable yield curves at the measurement date.	N/A
Lebanese Government bonds	31-Dec-13	DCF at discount rates determined based on the yield on USA treasury bills and the Credit Default Swap applicable to Lebanon subject to illiquidity factor	N/A
Term deposits with Central Bank of Lebanon	31-Dec-13	DCF at a discount rate determined based on the yield on USA treasury bills and the Credit Default Swap applicable to Lebanon subject to illiquidity factor	N/A
Loans and advances to customers	31-Dec-13	DCF at discount rates based on average rate of return of the receivables bearing fixed interest rate for more than one year	N/A
Foreign Government Bonds	31-Dec-13	Quoted prices for similar assets in active markets	N/A
Bancassurance	31-Dec-13	Multiple earnings	5 times earnings
Other unquoted Equities at fair value through other comprehensive income	31-Dec-13	N/A	N/A
Other Borrowings	31-Dec-13	DCF at discount rates based on average rate of return of the payables bearing fixed interest rate for more than one year	N/A

46. Related Party Transactions

In the ordinary course of business, the Group carries on transactions with subsidiaries and related parties, balances of which are disclosed in the statement of financial position in Notes 8, 18 and 38.

Remuneration to executive management paid during 2013 amounted to LBP 4.65 billion (LBP 5.47 billion in 2012).

47. Approval Of The Financial Statements

The financial statements for the year ended December 31, 2013 were approved by the Board of Directors in its meeting held on April 14, 2014.

BLC BANK NETWORK

Branches

Branches	Tel #	Fax #	Addresses
Head Office	+961 1 387000 - 429000	+961 1 429 000	Adlieh square BLC Bank Bldg - (Beirut)
Adlieh	+961 1 387000 - 429000	+961 1 616984	Adlieh square BLC Bank Bldg - (Beirut)
Achrafieh	+961 1 200990 / 1	+961 1 339664 Ext: 170	Sassine square Area - Adib Ishak Str Jerbaka Bldg - Achrafieh sector - (Beirut)
Aicha Bakkar	+961 1 749135 / 6 / 7 / 8 / 9	+961 1 749135 / 6 / 7 / 8 / 9 Ext: 170	Aicha Baqqar - El Rachidine Str - Intersection El Isteklal Facing Selim El Hoss residence - Tabsh Bldg - GR - (Beirut)
Aley	+961 5 556025 - 557026 - 558027 556024	+961 5 558027 Ext: 170	Aley Main Road - Moghtareben Hotel GF - (Aley)
Antelias	+961 4 418080 - 417230 -522018	+961 4 522018 Ext: 170	Antelias square - St. Elie Center Bloc A - GF - (Metn)
Baabda	+961 5 468084 / 5	+961 5 921820 Ext: 170	Baabda Square Area Michel Helou Bldg - (Baabda)
Batroun	+961 6 642166 - 741599	+961 6 742812 Ext: 170	Main Road BLC Bank Bldg - (Batroun)
Becharre	+961 6 671101 - 672767	+961 6 671101 Ext: 170	Main Road Emile Hanna Geagea Bldg. - (Becharre)
Beit Chabab	+961 4 980840 - 981348	+961 4 980840 Ext: 170	Al-Blata area BLC Bank Bldg - (Metn)
Bikfaya	+961 4 981602 - 981532	+961 4 986266 Ext: 170	Bickfaya square area, Municipality Bldg - (Metn)
Bourj Hammoud	+961 1 260855 - 241689	+961 1 241689 Ext: 170	Maronite Monks Bldg Tripoli Strt - (Metn)
Chekka	+961 6 540728 - 545028	+961 6 540728 Ext: 170	Main Road Michel El Hallal Bldg - (Batroun)
Chiah	+961 1 389515 - 387411	+961 1 387411 Ext: 170	Saida Road Awad Bldg - (Baabda)
Chtoura	+961 8 545422 / 3 / 4 - 542450	+961 8 545424 Ext: 170	Damascus Main Road BLC Bank Bldg - (Zahle)
Dekwaneh	+961 1 692060 - 692070	+961 1 687647 Ext: 170	Sed El Bauchrieh Str Kamar Center - (Metn)
Dora	+961 1 264450 - 260856	+961 1 260856 Ext: 170	Dora Highway BLC Bank Bldg - (Metn)
Furn El Chebbak	+961 1 613247 - 613248	+961 1 613247 Ext: 170	Furn El Chebbak Fares Younis Bldg - (Beirut)
Ghobeiry	+961 1 272772 - 548600	+961 1 275737	Ghobeiry Str Akil Berro Bldg - (Baabda)
Hadath	+961 5 460034 - 467438	+961 5 460425 Ext: 170	Al Ain Square Michel Kherbawi Bldg - (Baabda)
Hamra	+961 1 747912 - 747913 - 340450 350060 - 352030	+961 1 348512 Ext: 170	Hamra Str Rassamni Bldg - (Beirut)
Hazmieh	+961 5 454722 - 455547	+961 5 457177 Ext: 170	Damascus main road Michael Mansour Bldg - (Baabda)
Hermel	+961 8 201771 - 201772	+961 8 201773	Opposite Seray Bldg Shahine Center - (Hermel)
Jal El Dib	+961 4 723200 / 1 / 2 / 3 / 4 / 5	+961 4 723200 / 1 / 2 / 3 / 4 / 5 Ext: 170	Main Road Yachouhi Bldg - (Metn)
Jbeil	+961 9 546956 - 540150	+961 9 546955 Ext: 170	Main Road BLC Bldg - (Jbeil)
Jounieh	+961 9 910800 - 934558	+961 9 835219 Ext: 170	Main Road - Opposite Minicipality Stephan Bldg - (Keserwan)
Kousba	+961 6 510125 - 511132	+961 6 510125 Ext: 170	Main Road, Nicolas Center - (Koura)
Mazraa	+961 1 631634 - 653403 - 702540 / 1	+961 1 631634 Ext: 170	Corniche El - Mazraa Waef El Roum Bldg - (Beirut)
Mazraat Yachouh	+961 4 928612 / 3 / 4 / 5 / 6	+961 4 928612 Ext: 170	Main Road - Hajj Bldg GF - (Metn)
Nabatieh	+961 7 764780 - 764781	+961 7 760234 Ext: 170	Mahmoud Fakih Str. City Center Bldg - (Nabatieh)
New Jdeideh	+961 1 879973 / 4 / 5 / 6 +961 1 879896	+961 1 879973 / 4 / 5 / 6 Ext: 170	New jdeideh str - Facing Gi&Lou Koury Bldg - GF - (Metn)
Saida	+961 7 722330 - 722331 - 722332 727508	+961 7 722330 Ext: 170	Riad El Solh Strt BLC Bank Bldg - (Sidon)
Sour	+961 7 343100 / 1	+961 7 343313	Al Massaref Str Issa Bldg - (Sour)
St Elie	+961 1 703805 / 6 - 706248	+961 1 703805 Ext: 170	Dar El Baida Bldg, Mar Elias Strt - (Beirut)
St Michel	+961 1 565700 / 1 / 2 - 444449	+961 1 565702 Ext: 5360	Mar Mikhael Strt BLC Bank Bldg - (Beirut)
Tabaris - Charles Malek	+961 1 200210 - 200211	+961 1 200212 Ext: 170	Tabaris 812 Bldg Charles Malek Str - (Beirut)
Tabaris-Selim Bustros	+961 1 200992 - 204551	+961 1 200992 Ext: 170	Selim Boustros Str Dakdouk Bldg - (Beirut)
Tripoli - Mina	+961 6 215350 / 60 / 70	+961 6 215340 Ext: 170	Tripoli - Mina - El Huseini Hospital Str. Shoucair Bldg - GF - (Tripoli)
Tripoli - Tell	+961 6 430210 / 1	+961 6 432896 Ext: 170	Kallah Strt area BLC Bank Bldg - (Tripoli)
Zahle	+961 8 829410 / 20 / 30 / 40 / 50	+961 8 829410 - 20 Ext: 170	Zahle Boulevard - Lawandos Center Hosh El Zarraina - (Zahle)
Zouk Mikael	+961 9 212225 / 6 - 211473	+961 9 211675 Ext: 237	Presidence Strt - Zouk Mikael - main road - (Keserwan)
Zouk Mosbeh	+961 9 226803 / 4	+961 9 226803 - 4 Ext: 170	Main Road Jeita Charcutier Aoun Bldg - Zouk Mosbeh - (Keserwan)

BLC Bank Call Center: +961 1 387 000 | 1510

Representative Office

For all people living in the Gulf region, you may now work directly with BLC Bank through our **Abu Dhabi Representative Office:**

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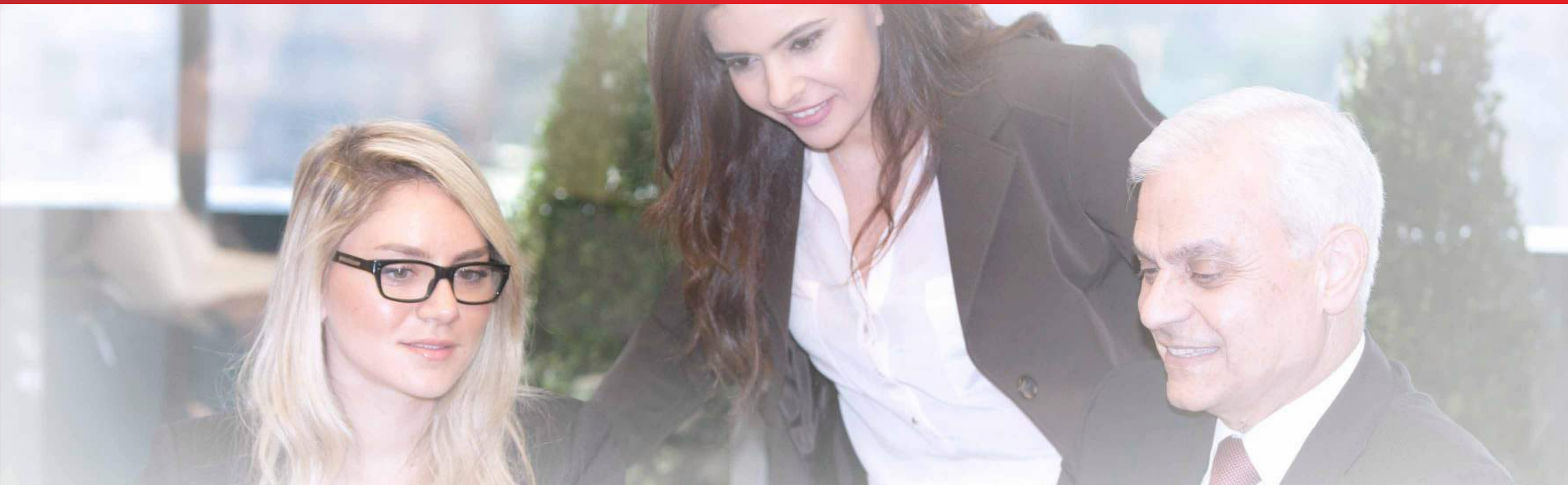
Fax: +961-1-565 311
e-mail: info@blcinvest.com

CORRESPONDENT BANKS



Correspondent Banks

Country	Name of Correspondent	Swift Code
Algeria	Fransabank El Djazair SPA	FSBK DZ AL
Australia	Westpac Banking Corporation	WPAC AU 2F
Austria	UniCredit Bank Austria AG	BKAU AT WW
Cyprus	USB Bank plc	UNVK CY 2N
Denmark	Danske Bank A/S	DABA DK KK
Egypt	Banque Misr SAE	BMIS EG CX
France	Al Khaliji Bank (France) SA	LICO FR PP
	Fransabank (France) SA	FRAF FR PP
	Union de Banques Arabes et Françaises - UBAF	UBAF FR PP
Germany	Commerzbank AG	COBA DE FF
	Deutsche Bank AG	DEUT DE FF
	JP Morgan AG	CHAS DE FX
Italy	Intesa Sanpaolo SpA	BCIT IT MM
	Unicredit Spa	UNCR IT MM
Japan	The Bank of New York Mellon - Tokyo	IRVT JP JX
Jordan	The Housing Bank for Trade & Finance	HBHO JO AX
Kuwait	Al Ahli Bank of Kuwait KSC	ABKK KW KW
	National Bank of Kuwait	NBOK KW KW
Norway	Danske Bank A/S - Trondheim	DABA NO 22

Country	Name of Correspondent	Swift Code
Qatar	Al Khalij Commercial Bank (al khaliji) QSC	KLJI QA QA
	Qatar National Bank SAQ	QNBA QA QA
	The Commercial Bank of Qatar QSC	ABQQ QA QA
Saudi Arabia	The National Commercial Bank	NCBK SA JE
Spain	Banco de Sabadell SA	BSAB ES BB
	CaixaBank SA	CAIX ES BB
Sri Lanka	Bank of Ceylon	BCEY LK LX
Sweden	Skandinaviska Enskilda Banken AB (Publ)	ESSE SE SS
Switzerland	Zürcher Kantonalbank	ZKBK CH ZZ
Turkey	AKbank TAS	AKBK TR IS
	Türkiye Garanti Bankasi AS	TGBA TR IS
	Türkiye IS Bankasi AS	ISBK TR IS
United Arab Emirates	Al Khaliji Bank (France) SA - Dubai	LICO AE AD
	Mashreqbank psc	BOML AE AD
United Kingdom	JPMorgan Chase Bank - London	CHAS GB 2L
	Lloyds TSB Bank plc	LOYD GB 2L
United States of America	JPMorgan Chase Bank NA	CHAS US 33
	Standard Chartered Bank, New York	SCBL US 33
	The Bank of New York Mellon	IRVT US 3N

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