

Statement of Financial Position

Assets	Notes	December 31,	
		2017	2016
		LBP'000	LBP'000
Cash and central bank	5	411,785,184	250,628,041
Deposits with banks and financial institutions	6	501,702,991	415,621,494
Deposits with the parent, sister and other related banks	7	20,166,814	29,642,347
Loans and advances to customers	8	22,650,814	23,817,936
Investment securities at fair value through profit or loss	9	14,810,611	14,656,120
Investment securities at fair value through other comprehensive income	9	114,654,712	110,486,475
Investment securities at amortized cost	9	458,555,157	536,213,118
Property and equipment	10	42,612,424	36,739,221
Intangible assets	11	435,073	531,463
Other assets	12	971,824	951,946
Total assets		1,588,345,604	1,419,288,161
Liabilities			
Deposits from a central bank	13	78,852,841	78,442,528
Deposits from banks and financial institutions	14	127,069,235	35,341,332
Deposits from the parent, sister and other related banks	15	674,500,650	681,141,737
Customers' deposits	16	331,079,834	316,412,440
Borrowings from central bank of Lebanon	17	48,893,575	-
Other liabilities	18	7,551,356	5,647,803
Provisions	19	4,543,275	5,444,475
Total liabilities		1,272,490,766	1,122,430,315
Equity			
Capital	20	15,000,000	15,000,000
Cash contribution to capital	20	148,488,750	148,488,750
Reserves	21	83,792,911	79,718,136
Change in fair value of investment securities at fair value through other			
Comprehensive income	9	6,563,686	3,178,845
Retained earnings		46,397,340	39,451,335
Profit for the year		15,612,151	11,020,780
Total equity		315,854,838	296,857,846
Total liabilities and equity		1,588,345,604	1,419,288,161
Financial instruments with off-balance sheet risks			
Letters of guarantee and standby letters of credit	29	62,376,728	62,607,817
Letters of credit - export confirmed		8,288,009	29,855,517

Statement of Profit or Loss

	Year Ended December 31,		
	Notes	2017	2016
		LBP'000	LBP'000
Interest income		55,395,911	48,285,766
Less: withholding tax on interest		(209,353)	-
Interest income, net of withholding tax	22	55,186,558	48,285,766
Interest expense	23	(26,685,925)	(20,177,463)
- Net interest income		28,500,633	28,108,303
Fee and commission income	24	1,554,466	2,654,144
Fee and commission expense		(181,566)	(315,698)
- Net fee and commission income		1,372,900	2,338,446
Net gain on investment securities at fair value through profit or loss	25	8,186,330	3,032,951
Gain on difference of exchange		99,889	99,285
- Net financial revenues		38,159,752	33,578,985
Net write-back/(provision) of impairment loss on loans and advances	8	(31,399)	43,152
Write back of doubtful loans from off balance sheet	8	-	461,978
- Net financial revenues after write-back of impairment loss		38,128,353	34,084,115
Salaries and related charges	26	(12,911,025)	(14,134,118)
Depreciation and amortization	10 & 11	(1,008,960)	(877,717)
Provision for risk and charges	19	(231,000)	(254,940)
General and administrative expenses	27	(5,008,638)	(4,426,551)
Other income/(expense)		(213,297)	(97,110)
- Total operating expenses		(19,372,920)	(19,790,436)
Profit before income tax		18,755,433	14,293,679
Income tax expense	18	(3,143,282)	(3,272,899)
Profit for the year		15,612,151	11,020,780

Statement of Profit or Loss & Other Comprehensive Income

	Year Ended December 31,		
	Notes	2017	2016
		LBP'000	LBP'000
Net profit for the year		15,612,151	11,020,780
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
• Unrealized gain on financial assets designated at fair value through other comprehensive income	9	4,168,237	3,219,810
• Deferred tax	18	(783,396)	(482,972)
Total other comprehensive income		3,384,841	2,736,838
Total comprehensive income for the year		18,996,992	13,757,618

Statement of Changes in Equity

	Capital	Cash contribution for capital	Reserves	Change in fair value of investment securities	Retained earnings	Profit for the year	Total
	LBP'000	LBP'000	LBP'000	LBP'000	LBP'000	LBP'000	LBP'000
Balance January 1, 2016	15,000,000	148,488,750	76,177,130	442,007	36,825,336	10,667,005	287,600,228
Allocation of 2015 profit	-	-	3,541,006	-	7,125,999	(10,667,005)	-
Dividends paid (Note 19)	-	-	-	-	(4,500,000)	-	(4,500,000)
Total comprehensive income for the year 2016	-	-	-	2,736,838	-	11,020,780	13,757,618
Balance December 31, 2016	15,000,000	148,488,750	79,718,136	3,178,845	39,451,335	11,020,780	296,857,846
Allocation of 2016 profit	-	-	4,074,775	-	6,946,005	(11,020,780)	-
Total comprehensive income for the year 2017	-	-	-	3,384,841	-	15,612,151	18,996,992
Balance December 31, 2017	15,000,000	148,488,750	83,792,911	6,563,686	46,397,340	15,612,151	315,854,838

Statement of Cash Flows

	Year Ended December 31,		
	Notes	2017 LBP'000	2016 LBP'000
Cash flows from operating activities			
Profit for the year before income tax		18,755,433	14,293,679
Adjustments for:			
• Depreciation and amortization	10 & 11	1,008,960	877,717
• Change in fair value of investment securities at fair value through profit or loss	25	(150,885)	(244,129)
• Effect of change in exchange rate		(3,606)	-
• Net (write back)/provision of impairment loss on loans and advances	8	31,399	(43,152)
• Provision for risk and charges	19	231,000	254,940
• Provision for employees' end-of-service indemnities	19	379,368	1,043,727
• (Gain)/loss on disposal of property and equipment		542	(878)
• Dividend income	25	(8,039,911)	(2,873,475)
• Interest income		(55,395,911)	(48,285,766)
• Interest expense		26,685,925	20,177,463
Compulsory deposits with central bank of lebanon with a maturity exceeding 3 months		(103,022,028)	(46,118,555)
Deposits with banks and financial institutions with a maturity exceeding three months		(59,510,075)	128,093,227
Investment securities at fair value through profit or loss	9	-	15,155,418
Investment securities at fair value through other comprehensive income	9	-	(59,350,562)
Investment securities at amortized cost	9	75,782,148	33,361,332
Loans and advances to customers	8	1,135,723	(222,450)
Other assets	12	(19,878)	112,585
Deposits from banks and financial institutions	14	91,625,150	(81,453,143)
Customers' deposits	16	13,992,405	16,029,054
Other liabilities	18	2,202,332	1,741,212
Settlements made from provision for employees' end-of-service indemnities	19	(1,511,568)	(923,674)
		4,176,523	(8,375,430)
Income tax paid		(4,225,457)	(3,048,698)
Dividends received		8,039,911	2,873,475
Interest received		51,829,874	48,070,796
Interest paid		(22,334,163)	(20,259,803)
Net cash generated by operating activities		37,486,688	19,260,340
Cash flows from investing activities			
• Acquisition of property and equipment	10	(6,715,623)	(30,440,008)
• Proceeds from disposal of property and equipment	10	12,062	3,000
• Acquisition of intangible assets	11	(82,754)	(139,675)
Net cash used in investing activities		(6,786,315)	(30,576,683)
Cash flows from financing activities			
• Increase in borrowing from central bank	17	48,669,040	-
• Deposits from central banks	13	406,817	(3,288,166)
• Deposits from parent, sister and other related banks	15	(9,987,076)	16,865,343
• Dividends paid	20	-	(4,500,000)
Net cash used in financing activities		39,088,781	9,077,177
Net increase/(decrease) in cash and cash equivalents		69,789,154	(2,239,166)
cash and cash equivalents beginning of year		231,043,392	233,282,558
Cash and cash equivalents end of year	28	300,832,546	231,043,392