

## Average performance of the lebanese banking sector

Consolidated summarized balance sheet at year end	LL Million			USD Million			%	
	2014	2015	15/14	2014	2015	15/14	2014	2015
<b>Assets</b>								
Primary liquidity	105,301,573.924	106,590,738.514	1.2	69,851.790	70,706.958	1.2	32.1	31.0
Portfolio securities	106,765,642.789	115,499,530.667	8.2	70,822.980	76,616.604	8.2	32.6	33.6
Loans and advances	103,729,544.575	109,503,402.616	5.6	68,808.985	72,639.073	5.6	31.6	31.9
Fixed assets	5,888,888.918	6,289,843.857	6.8	3,906.394	4,172.367	6.8	1.8	1.8
Other assets	6,063,517.425	5,587,750.141	-7.8	4,022.234	3,706.634	-7.8	1.9	1.6
<b>Total assets</b>	<b>327,749,167.631</b>	<b>343,471,265.795</b>	<b>4.8</b>	<b>217,412.383</b>	<b>227,841.636</b>	<b>4.8</b>	<b>100.0</b>	<b>100.0</b>
<b>Liabilities and shareholders' equity</b>								
Deposits from banks	18,963,253.634	20,326,004.872	7.2	12,579.273	13,483.254	7.2	5.8	5.9
Deposits from customers	268,946,859.154	281,060,946.426	4.5	178,405.877	186,441.756	4.5	82.1	81.8
Other liabilities	10,175,350.931	10,400,672.903	2.2	6,749.818	6,899.286	2.2	3.1	3.0
Shareholders' equity	29,663,703.911	31,683,641.593	6.8	19,677.416	21,017.341	6.8	9.1	9.2
<b>Total liabilities and shareholders' equity</b>	<b>327,749,167.631</b>	<b>343,471,265.795</b>	<b>4.8</b>	<b>217,412.383</b>	<b>227,841.636</b>	<b>4.8</b>	<b>100.0</b>	<b>100.0</b>
<b>Total footings</b>	<b>402,166,967.663</b>	<b>418,614,173.044</b>	<b>4.1</b>	<b>266,777.425</b>	<b>277,687.677</b>	<b>4.1</b>		
<b>Consolidated profit &amp; loss account</b>								
at year end								
Interest & similar income	16,618,241.854	17,927,024.888	7.9	11,023.709	11,891.890	7.9		
Interest & similar expense	10,945,433.702	11,950,102.297	9.2	7,260.653	7,927.099	9.2		
<b>Net interest income</b>	<b>5,672,808.153</b>	<b>5,976,922.591</b>	<b>5.4</b>	<b>3,763.057</b>	<b>3,964.791</b>	<b>5.4</b>		
<b>Net fee &amp; commission income</b>	<b>1,515,607.186</b>	<b>1,546,374.605</b>	<b>2.0</b>	<b>1,005.378</b>	<b>1,025.787</b>	<b>2.0</b>		
Net gain/loss on financial assets/liabilities at FVTP&L	839,026.369	1,106,950.614	31.9	556.568	734.296	31.9		
Net gain/loss on financial investments	699,966.433	723,161.504	3.3	464.323	479.709	3.3		
Other operating income	265,890.813	202,321.878	-23.9	176.379	134.210	-23.9		
<b>Total operating income</b>	<b>8,993,298.954</b>	<b>9,555,731.192</b>	<b>6.3</b>	<b>5,965.704</b>	<b>6,338.793</b>	<b>6.3</b>		
Net provisions for credit losses	589,620.874	669,417.814	13.5	391.125	444.058	13.5		
Provisions for impairment of other financial instr./inv.	-4,186.200	1,110.208	-	-2.777	0.736	-		
<b>Net operating income</b>	<b>8,407,864.279</b>	<b>8,885,203.170</b>	<b>5.7</b>	<b>5,577.356</b>	<b>5,893.999</b>	<b>5.7</b>		
<b>Total operating expenses</b>	<b>4,657,245.184</b>	<b>4,889,342.964</b>	<b>5.0</b>	<b>3,089.383</b>	<b>3,243.345</b>	<b>5.0</b>		
<b>Operating profit</b>	<b>3,750,619.096</b>	<b>3,995,860.207</b>	<b>6.5</b>	<b>2,487.973</b>	<b>2,650.654</b>	<b>6.5</b>		
Share of profit of associates under equity method	34,051.474	40,493.511	18.9	22.588	26.861	18.9		
Net gain/loss from sale or disposal of other assets	14,763.060	26,296.159	78.1	9.793	17.444	78.1		
<b>Profit before tax</b>	<b>3,799,433.630</b>	<b>4,062,649.877</b>	<b>6.9</b>	<b>2,520.354</b>	<b>2,694.958</b>	<b>6.9</b>		
Income tax	695,018.861	741,342.989	6.7	461.041	491.770	6.7		
<b>Profit after tax from operating activities</b>	<b>3,104,414.769</b>	<b>3,321,306.888</b>	<b>7.0</b>	<b>2,059.313</b>	<b>2,203.189</b>	<b>7.0</b>		
Result of discontinued operations	-604.292	79.046	-	-0.401	0.052	-		
<b>Net profit</b>	<b>3,103,810.477</b>	<b>3,321,385.934</b>	<b>7.0</b>	<b>2,058.912</b>	<b>2,203.241</b>	<b>7.0</b>		
Net profit - Non controlling interest	129,206.091	159,804.162	23.7	85.709	106.006	23.7		
<b>Net profit - Group share</b>	<b>2,974,604.386</b>	<b>3,161,581.772</b>	<b>6.3</b>	<b>1,973.204</b>	<b>2,097.235</b>	<b>6.3</b>		
<b>Growth</b>							<b>2014</b>	<b>2015</b>
Assets (%)							9.3	4.8
Loans to customers (%)							11.0	5.6
Deposits from customers (%)							8.5	4.5
Shareholders' equity (%)							10.8	6.8
Total L/C openings for the year (%)							1.5	-21.0
Total income (%)							8.9	6.4
Total operating expenses (%)							8.3	5.0
Net profits for the year (%)							9.1	7.0
<b>Management and cost efficiency</b>								
Footings per branch (LL Billion)							271.242	279.844
Footings per staff (LL Billion)							11.308	11.597
Staff per branch							22.8	22.8
Cost per average branch (LL Billion)							3.291	3.334
Staff expenses per average staff (LL Billion)							0.077	0.077
Staff expenses to total operating expenses (%)							56.36	55.50
Cost to income (%)							51.51	50.81
Cost to average assets (%)							1.48	1.46
<b>Liquidity</b>								
Net primary liquidity / deposits							32.10	30.69
Net primary liquidity in LL / deposits in LL							17.70	17.03
Net primary liquidity in FX / deposits in FX							38.18	36.68
<b>Capital adequacy</b>								
Common Tier 1 ratio							10.32	10.83
Additional Tier 1 ratio							3.15	2.89
<b>Tier 1 ratio</b>							<b>13.47</b>	<b>13.72</b>
Tier 2 ratio							1.13	1.30
<b>Total capital ratio</b>							<b>14.60</b>	<b>15.03</b>
<b>Profitability</b>								
Net return on average equities (%)							11.00	10.83
Net return on average assets (%)							0.99	0.99
<b>Investment considerations</b>								
Common earnings per share (LL)							548.73	625.22
Common book per share (LL)							4,679.38	5,362.20
ROAE to hurdle rate (times)							0.76	0.75