

LEBANESE SWISS BANK S.A.L.

Audited statement

Audited statement of financial position  
at 31 December 2014



	2014	2013
	LL Million	LL Million
<b>Assets</b>		
Cash and balances with the Central Bank	376,045	354,862
Loans and advances to banks	347,115	380,728
Derivative financial instruments	2,017	1,237
Financial assets at fair value through profit or loss	51,952	18,452
Financial assets at fair value through other comprehensive income	8,413	11,127
Financial assets held at amortised cost	1,037,759	988,903
Net loans and advances to customers	586,452	480,012
Net loans and advances to related parties	3,120	3,440
Debtors by acceptances	4,981	12,538
Other assets	3,801	3,383
Non-current assets classified as held for sale	1,310	1,310
Intangible assets	634	666
Property and equipment	7,054	7,428
<b>Total assets</b>	<b>2,430,653</b>	<b>2,264,086</b>
<b>Shareholders' equity and liabilities</b>		
<b>Liabilities</b>		
Due to the Central Bank	18,056	6,174
Deposits from banks and financial institutions	26,304	17,912
Derivative financial instruments	691	818
Deposits from customers	2,181,813	2,043,330
Deposits from related parties	2,042	1,944
Engagements by acceptances	4,981	12,538
Current income tax liability	606	1,527
Retirement benefit obligations	2,088	2,179
Provisions for risk and charges	1,207	1,191
Other liabilities	3,073	4,758
<b>Total liabilities</b>	<b>2,240,861</b>	<b>2,092,371</b>
<b>Shareholders' equity</b>		
Share capital	70,000	70,000
Reserves	98,824	80,267
Retained earnings	19,239	20,531
Revaluation reserve of financial assets	1,729	917
<b>Total shareholders' equity</b>	<b>189,792</b>	<b>171,715</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,430,653</b>	<b>2,264,086</b>

**LEBANESE SWISS BANK S.A.L.****Audited statement****Audited statement of comprehensive income  
for the year ended 31 December 2014**

	<b>2014</b>	2013
	<b>LL Million</b>	LL Million
Interest and similar income	132,580	119,164
Interest and similar expenses	(98,808)	(88,886)
<b>Net interest income</b>	<b>33,772</b>	<b>30,278</b>
Net loan impairment charges	(2,377)	3,817
<b>Net interest income after loan impairment charges</b>	<b>31,395</b>	<b>34,095</b>
Fee and commission income	10,362	9,524
Fee and commission expense	(691)	(1,041)
<b>Net fee and commission income</b>	<b>9,671</b>	<b>8,483</b>
Net gain (loss) on financial assets at fair value through profit or loss	(219)	5,789
Net gain on financial assets at amortised cost	2,734	-
Other operating income	1,119	1,702
Administrative and general expenses	(23,481)	(23,749)
Net gain from foreign exchange	2,583	1,847
<b>Profit before income tax</b>	<b>23,802</b>	<b>24,473</b>
Income tax expense	(3,730)	(3,222)
<b>Profit for the year</b>	<b>20,072</b>	<b>21,251</b>
<b>Other comprehensive income</b>		
Net change in fair value of financial assets at fair value through other comprehensive income	1,097	405
<b>Total comprehensive income for the year</b>	<b>21,169</b>	<b>21,656</b>

LEBANESE SWISS BANK S.A.L.

Audited statement

Audited statement of changes in equity  
for the year ended 31 December 2014



	Share capital	Reserves	Retained earnings	Revaluation reserve of financial instruments	Total
	LL Million	LL Million	LL Million	LL Million	LL Million
Balance at 1 January 2013	70,000	65,982	16,099	2,978	155,059
Total comprehensive income for the year	-	-	21,251	405	21,656
Dividends declared	-	-	(5,000)	-	(5,000)
Transfers	-	14,285	(11,819)	(2,466)	-
<b>Balance at 31 December 2013</b>	<b>70,000</b>	<b>80,267</b>	<b>20,531</b>	<b>917</b>	<b>171,715</b>
Balance at 1 January 2014	70,000	80,267	20,531	917	171,715
Total comprehensive income for the year	-	-	20,072	1,097	21,169
Dividends declared	-	-	(3,000)	-	(3,000)
Transfers	-	18,557	(18,272)	(285)	-
Other adjustments	-	-	(92)	-	(92)
<b>Balance at 31 December 2014</b>	<b>70,000</b>	<b>98,824</b>	<b>19,239</b>	<b>1,729</b>	<b>189,792</b>

**LEBANESE SWISS BANK S.A.L.****Audited statement****Audited statement of cash flows  
for the year ended 31 December 2014**

	<b>2014</b>	2013
	<b>LL Million</b>	LL Million
<b>Cash flows from operating activities</b>		
Profit before income tax	23,802	24,473
Adjustments for non-cash items:		
Depreciation charge	1,133	1,003
Amortisation charge	166	151
Loss on revaluation of financial assets at fair value through profit or loss	719	791
Gain on assets classified as held for sale	-	(702)
Loss on disposal of property and equipment	2	9
Net charge of impairment on loans and advances to customers	2,377	(3,817)
Net change in retirement benefit obligations	(91)	49
Net change in provision for risk and charges	16	23
Net interest income	(33,772)	(30,278)
Changes in working capital:		
Cash and balances with the Central Bank	(36,074)	(48,105)
Loans and advances to banks	(91,309)	761
Loans and advances to customers	(110,648)	(80,048)
Loans and advances to related parties	320	2,591
Financial investments	(79,640)	(25,506)
Other assets	(418)	(166)
Due to the Central Bank of Lebanon	11,882	6,174
Deposits from banks and financial institutions	8,353	4,886
Deposits from customers	137,871	252,483
Deposits from related parties	98	(52)
Derivatives financial instruments	(907)	3,613
Other liabilities	(2,009)	1,078
Cash (used in) generated from operating activities	(168,129)	109,861
Interest received	134,254	113,808
Interest paid	(98,157)	(88,490)

**LEBANESE SWISS BANK S.A.L.****Audited statement****Audited statement of cash flows****(continued)****for the year ended 31 December 2014**

	<b>2014</b>	2013
	<b>LL Million</b>	LL Million
Income taxes paid	<u>(4,743)</u>	<u>(3,137)</u>
<b>Net cash (used in) generated from operating activities</b>	<u>(136,775)</u>	<u>132,042</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(768)	(1,572)
Purchase of intangible assets	(134)	(596)
Proceeds from sale of assets classified as held for sale	7	945
<b>Net cash used in investing activities</b>	<u>(895)</u>	<u>(1,223)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	<u>(2,676)</u>	<u>(4,462)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(140,346)	126,357
Cash and cash equivalents at beginning of the year	<u>382,436</u>	<u>256,079</u>
<b>Cash and cash equivalents at end of year</b>	<u>242,090</u>	<u>382,436</u>