

LEBANESE SWISS BANK S.A.L.

Audited statement

**Audited statement of financial position
at 31 December 2016**



	2016	2015
	LL Million	LL Million
Assets		
Cash and balances with the Central Bank	459,567	428,567
Loans and advances to banks	275,717	424,254
Derivative financial instruments	1,071	642
Financial assets at fair value through profit or loss	20,461	48,272
Financial assets at fair value through other comprehensive income	2,082	2,083
Financial assets held at amortised cost	1,366,010	1,075,135
Net loans and advances to customers	758,290	638,847
Net loans and advances to related parties	3,372	1,253
Debtors by acceptances	1,106	4,942
Other assets	6,983	4,351
Non-current assets classified as held for sale	2,551	1,746
Intangible assets	543	553
Property and equipment	11,010	10,978
Total assets	2,908,763	2,641,368
Shareholders' equity and liabilities		
Liabilities		
Due to the Central Bank	19,562	20,071
Deposits from banks and financial institutions	58,332	20,200
Derivative financial instruments	100	604
Deposits from customers	2,514,297	2,380,130
Deposits from related parties	2,251	8,291
Engagements by acceptances	1,106	4,942
Current income tax liability	12,571	514
Retirement benefit obligations	2,577	2,110
Provisions for risk and charges	1,375	1,148
Other liabilities	22,148	3,631
Total liabilities	2,634,319	2,441,641
Shareholders' equity		
Share capital	90,000	70,000
Reserves	132,606	114,268
Retained earnings	51,179	14,800
Revaluation reserve of financial assets	659	659
Total shareholders' equity	274,444	199,727
Total liabilities and shareholders' equity	2,908,763	2,641,368

LEBANESE SWISS BANK S.A.L.**Audited statement****Audited statement of comprehensive income
for the year ended 31 December 2016**

	2016	2015
	LL Million	LL Million
Interest and similar income	154,484	142,227
Interest and similar expenses	(118,349)	(108,818)
Net interest income	36,135	33,409
Net loan impairment charges	(17,954)	(2,160)
Net interest income after loan impairment charges	18,181	31,249
Fee and commission income	12,261	10,499
Fee and commission expense	(552)	(639)
Net fee and commission income	11,709	9,860
Net gain (loss) on financial assets at fair value through profit or loss	1,124	(6,262)
Income from dividends on financial assets at fair value through other comprehensive income	71	59
Net gain on financial assets at amortised cost	66,265	5,798
Other operating income	1,975	1,427
Administrative and general expenses	(32,658)	(26,229)
Net gain from foreign exchange	1,660	1,587
Profit before income tax	68,327	17,489
Income tax expense	(13,610)	(3,645)
Profit for the year	54,717	13,844
Other comprehensive income		
Net change in fair value of financial assets at fair value through other comprehensive income	-	296
Total comprehensive income for the year	54,717	14,140

LEBANESE SWISS BANK S.A.L.

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Audited statement of changes in equity
for the year ended 31 December 2016



	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 2015	70,000	98,824	19,239	1,729	189,792
Total comprehensive income for the year	-	-	13,844	296	14,140
Dividends declared	-	-	(4,000)	-	(4,000)
Transfers	-	15,444	(15,444)	-	-
Other adjustments	-	-	1,161	(1,366)	(205)
Balance at 31 December 2015	70,000	114,268	14,800	659	199,727
Balance at 1 January 2016	70,000	114,268	14,800	659	199,727
Total comprehensive income for the year	-	-	54,717	-	54,717
Transfers	-	18,338	(18,338)	-	-
Capital increase	20,000	-	-	-	20,000
Balance at 31 December 2016	90,000	132,606	51,179	659	274,444

LEBANESE SWISS BANK S.A.L.**Audited statement****Audited statement of cash flows
for the year ended 31 December 2016**

	2016	2015
	LL Million	LL Million
Cash flows from operating activities		
Profit before income tax	68,327	17,489
Adjustments for non-cash items:		
Depreciation charge	1,149	1,173
Amortisation charge	207	187
(Gain) loss on revaluation of financial assets at fair value through profit or loss	(4,068)	4,265
Loss (gain) on sale of non-current assets classified as held for sale	1,158	(26)
Loss on disposal of property and equipment	13	5
Net charge of impairment on loans and advances to customers	17,954	2,160
Net change in retirement benefit obligations	467	22
Net change in provision for risk and charges	227	(59)
Net interest income	(36,135)	(33,409)
Changes in working capital:		
Cash and balances with the Central Bank	(23,351)	(23,584)
Loans and advances to banks	121,599	(30,709)
Loans and advances to customers	(147,026)	(56,702)
Loans and advances to related parties	(2,119)	1,867
Financial investments	(252,964)	(31,653)
Other assets	(30)	(550)
Due to the Central Bank of Lebanon	(509)	2,015
Deposits from banks and financial institutions	37,468	(6,079)
Deposits from customers	132,671	197,439
Deposits from related parties	(6,040)	6,249
Derivatives financial instruments	(933)	1,288
Other liabilities	18,517	(273)
Cash (used in) generated from operating activities	(73,418)	51,115
Interest received	157,195	143,352
Interest paid	(116,189)	(107,965)

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**Audited statement
Audited statement of cash flows
(continued)
for the year ended 31 December 2016**

	2016 LL Million	2015 LL Million
Income taxes paid	<u>(4,155)</u>	<u>(3,942)</u>
Net cash (used in) generated from operating activities	<u>(36,567)</u>	82,560
Cash flows from investing activities		
Purchase of property and equipment	1,194	5,009
Purchase of intangible assets	<u>197</u>	<u>106</u>
Net cash used in investing activities	<u>1,391</u>	5,115
Cash flows from financing activities		
Dividends paid	-	(3,169)
Capital increase	<u>20,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>20,000</u>	(3,169)
Net (decrease) increase in cash and cash equivalents	(17,958)	74,276
Cash and cash equivalents at beginning of the year	<u>316,366</u>	<u>242,090</u>
Cash and cash equivalents at end of year	<u>298,408</u>	316,366