

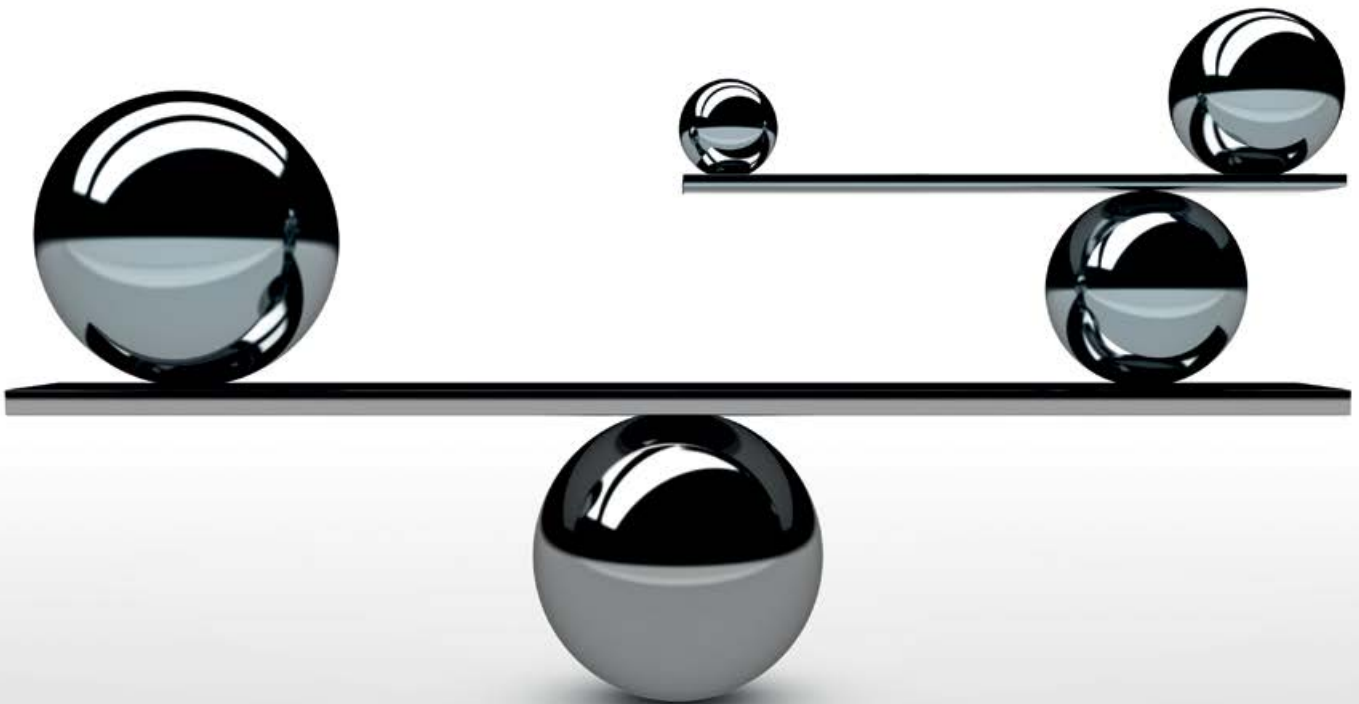


FIRST NATIONAL BANK S.A.L.

ANNUAL REPORT

2015

**TAKING ALL MEASURES
TO PUT YOU FIRST**





FIRST NATIONAL BANK S.A.L.

ANNUAL REPORT
2015

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CHAIRMAN'S LETTER



FNB maintained its growth momentum within the framework of its long-term strategic plan achieving remarkable results in 2015 with net profits amounting to around \$31 million (excluding non-controlling interest), an increase of 7.1% compared to 2014, standing below the 8.3% average growth rate of Alpha banks and thus increasing its equity by 6.7% to reach around \$311 million (excluding assets under management).

The repercussions of the regional crisis and the resulting uncertainty could not but leave its trace on the activity of the real economy in Lebanon with indicators contracting or showing mild or shy growth rates. Consequently, the Lebanese banking sector recorded a modest activity growth during 2015 with assets growing at 5.9% compared to 6.6% in 2014, but still showing its traditional resilience by retaining healthy asset quality and sound financial indicators in terms of liquidity, capital adequacy and sustained profitability all leading to a loyal depositor base reflecting its confidence in the way the sector is being governed and managed. Hence, the sector remains the main pillar of the Lebanese economy in terms of stability and strength.

The growth at FNB was achieved despite the tremendous political and security challenges and the economic slowdown in Lebanon and the region caused by the Syrian crisis and wider regional uncertainty along with the political and economic flux on the national level intensified by failure to carry out a harmonious political policy and a clear economic strategy.

This growth was supported by a qualitative and steady growth in many key indicators. Our assets grew to exceed \$4 billion (excluding assets under management), while our deposit base reached \$3.3 billion, and our credit facilities also grew to the vicinity of \$1 billion while maintaining a conservative ratio of Loans-to-Deposits of less than 30%, coupled with a comfortable liquidity ratio exceeding 27% for Net Primary Liquidity in foreign currencies.

The Bank maintained a healthy "Capital Adequacy Ratio" standing at 12.5% at the end of the year, which is in line with international standards, and an Equity-to-Asset Ratio of 8.06% (excluding assets under management), lower than the average ratio of the Alpha banks of 8.93%.

The results of FNB during 2015 reflect a medium-term

strategy to augment its commercial banking business by widening its revenue base to include non-traditional sources through its subsidiaries which offer varied banking services such as investment banking, consumer finance and capital market products. Accordingly, during 2015 the net profit from the operations of the three Bank subsidiaries represented 32.6% of the FNB Group Net Profit compared to 22.5% in the preceding year. This remarkable shift in the relative significance of the profit generated by our subsidiaries is in line with our policy to enhance the Group non-interest income through the consolidation of diverse business activities of Middle East Capital Group (MECG) such as the launching of two national funds in USD and LBP, and those of Corporate Finance House (CFH) carried out in Europe and the MENA region.

The achievements in 2015 added to the long-term growth of the Group as reflected in our Compound Annual Growth Rate (CAGR) of the different financial indicators. The CAGR of the last five years recorded double-digit growth rates for assets, deposits and equity of 10.1%, 9.9% and 19.8%, respectively, and thus outperforming domestic market which grew by 7.8%, 7.4% and 9.0%, respectively.

During 2015, the FNB Group continued to develop its branch network and enhance its infrastructure and technology, while managing its cost base amidst the ever increasing demands from the international banking community and regulators to enhance transparency in the activities and practices of the banking industry, especially in the area of compliance by adopting state-of-the art Anti-Money Laundering and Combating Financial Terrorism (AML/CFT) policies and control measures.

While writing this letter during the spring of 2016, the economic, social and political difficulties in the region remain the main source of challenge for the Lebanese economy in general and the banking sector in particular. At FNB, we acknowledge the existence of these challenges, but count on the trust of our clients, the support of our shareholders, the wise leadership of our Board and the dedication of our staff to carry us through the expected rough environment and to provide us with the support needed to maintain our tradition of success and excellence.

RAMI EL NIMER

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

STATUTORY BODY
MANAGEMENT



STATUTORY BODY

The corporate governance guidelines, adopted by First National Bank, provide a framework to regulate the relationships between shareholders, supervisors and management. A clear separation between the oversight, vision setting, supervision and execution is reflected in the corporate governance structure. The board makes every effort to balance the interest of its shareholders, customers, employees and suppliers.

Furthermore, the Board ensures effective governance, supervises the management of the bank's business and affairs, and exercises reasonable business judgment on behalf of the bank. In all actions taken by the board, the members act on a fully informed basis, in good faith, with due diligence, keeping in mind the best interests of the bank. In discharging their obligation, board members rely, among other things, on the honesty and integrity of the bank's senior management and its outside advisors and external auditors.

CHAIRMAN

The Chairman and Vice Chairman of the Board are appointed by the Board of Directors for a maximum period of three years. The Chairman may delegate some or all of his authority to another person who operates under his supervision, but remains responsible for the acts and performance of his delegates. The General Managers,

Deputy General Managers and Assistant General Managers are endorsed by the board upon the recommendation of the Chairman. They assist the Chairman in the daily operations of the bank. The Chairman has extensive powers to execute resolutions adopted by the shareholders at the Ordinary or Extraordinary General Assembly and to represent the bank in its different activities.

BOARD OF DIRECTORS

The Board of Directors consists of nine elected members and is chaired by Mr. Rami El Nimer. The election of the members takes place at the Annual General Assembly of Shareholders for a maximum period of three years renewable. Board members need General Assembly authorization to be elected members in other entities with similar business activities. The renewal of this authorization is mandatory at each Annual General Assembly of Shareholders.

The Board of Directors of First National Bank in 2016 is composed of the following 9 members:

Mr. Rami Refaat El Nimer is an experienced banker who has many notable achievements in the banking industry. He has served as a Director and Chairman for the bank since March 2001. Additionally, Mr. El Nimer holds other corporate responsibilities within the business community.

Mr. Khaled Abdallah Al Sagar is the Vice-Chairman of the bank. He has been a Director at FNB since June 1996. Mr. Al Sagar held the role of Chairman of the Board for a three year term starting April 3, 1998 until March 23, 2001. He is an active member of the Al Sager Group, a leading merchant and industrial conglomerate in Kuwait.

Mr. Fawzi E. Farah is the Vice-Chairman of the bank. He has been a Director at the bank since May 2014. He is the Founder and Principal Partner of the CFH Group. He held various banking positions in New York and Kuwait. He is an International Advisor to the Olayan School of Business at the American University of Beirut, Member of the Board of Trustees at the American Community School, and Member of the Board of the International Chamber of Commerce-Lebanon Chapter.

Mr. Abdallah Saoud Al Humaidhi has been a Director of the bank since June 1996. He is also a member of the Board of Directors of the Arab Banking Corporation in Bahrain. Mr. Al Humaidhi is the Chairman and Managing Director of Commercial Facilities Company K.S.C.

Mr. Roland Elias Haraoui has been a Director at the bank since December 2001. He is a Lebanese businessman with an exceptional leadership profile.

Mr. Arfan Khalil Ayass has been a Director at the bank since August 2009. He is a member of the American Institute of Certified Public Accountants, the Lebanese Society of Certified Public Accountants. Mr. Ayass is currently a faculty member of Rafic Hariri University.

Mr. Moustapha Hadi M. Saoud El Assaad has been a Director at the bank since September 2014. Between 2004 -2008 Mr. El Assaad was the General Manager of Qatar National Bank – Paris, and was also associated with other International Banks. He is an International Expert and member of the French Institute of Directors in Paris (IFA); He actually participates in advising and developing several Banks.

Promotion des Investissements S.A.L. (Holding) has been represented on the board through its representative since April 2000. It is a Lebanese holding company that primarily invests its financial and industrial concerns in Lebanon.

Al Muttahida Lil Istithmar (Lebanon) s.a.l. (Holding) has been elected, through its representative, as a board member since 2004. It is a Lebanese holding company that invests its financial and industrial concerns in Lebanon.

MANAGEMENT

FNB S.A.L. (FIRST NATIONAL BANK)

GENERAL MANAGEMENT

Mr. Rami R. El Nimer
Chairman - General Manager

Mr. Elias S. Baz
General Manager

Mr. Najib M. Semaan
General Manager

Mr. Ghaithan S. Tayara
Deputy General Manager

Mr. Mahmoud G. Francis
Assistant General Manager

Mr. Tony W. Dabbaghian
Assistant General Manager

Mr. Robert H. El Haddad
Group Chief Audit Executive

Mr. Antoine C. Wakim
Group Chief Financial Officer

Mr. Salim L. Karroum
Group Chief Compliance Officer

Mr. John N. Chalouhi
Group Chief Risk Officer

HEAD OFFICE - MANAGERS

Mr. Assaad K. Saliba
Foreign Exchange Department

Ms. Carine N. Jbeily
Retail Credit Department

Ms. Carole A. Abi Saad
Organization & Methods Department

Ms. Chantal R. Freiji
Financial Institution & Correspondent Banking Department

Mr. Charles W. Skaff
Administration Department

Ms. Dima H. El Dairy
Marketing & Communication Department

Mr. Elie G. Abou Zeidan
Legal Department

Mr. Elie M. Rahal
Trade Finance Department

Mr. Gaby L. Tchennozian
Private Banking Department

Mr. Georges K. Boustany
Information Technology Security Department

Mr. Houssam Z. Khaywa
Operations Department

Mr. Joseph E. Estephan
Recovery & Restructuring Department

Ms. Marie-Rose E. Kallas

Corporate Credit Analysis Department

Ms. Marie-Therese E. Obeid

International Business Development Department

Mr. Marwan B. Khawand

Information Technology Department

Mr. Nabil J. Semaan

Human Resources Department

Ms. Nada F. El Zein

Credit Appraisal Department

Ms. Nadine R. Abou Zeid

Anti-Money Laundering Department

Mr. Naji N. Maalouf

Corporate Banking Department

Mr. Philippe A. Abou Azar

Small and Medium Enterprises Credit Department

Mr. Raymond N. Yazbeck

Credit Administration Department

Ms. Raymonda D. Abboud

Credit Inspection Department

Ms. Soumaya Y. Haris

Head of Group Treasury

Mr. Walid B. Rizk

Electronic Banking Department

Mr. Wassim M. Daouk

Control and Review Department

ADVISORS

Mr. Adam H. Mansour

Advisor to General Manager - Control & Support

Mr. George N. Aouad

Advisor to Chairman - General Manager

Me. Jean Claude M. Chamoun

Legal Advisor

Me. Mansour A. Breidi

Legal Advisor

Mr. Nabil M. Soubra

Consultant to Chairman - Foreign Affairs

Me. Rawi B. Kanaan

Legal Advisor

Me. Sakher C. El Hachem

Legal Advisor

Abou Sleiman and Partners

Legal Advisor

Mena City Lawyers

Legal Advisor

Saade, Debs and Partners

Legal Advisor

AUDITORS

Deloitte & Touche

DFK Fiduciaire Du Moyen-Orient

MECG S.A.L.

(MIDDLE EAST CAPITAL GROUP)

GENERAL MANAGEMENT

Mr. Najib M. Semaan

Chairman - General Manager

Mr. Elias J. Feghali

Private Banking Department

CFC S.A.L. (CAPITAL FINANCE COMPANY)

GENERAL MANAGEMENT

Mr. Tarek I. Kombarji

Chief Executive Officer

Mr. Rony M. Khoneisser

Assistant General Manager

Ms. Myriam J. Mouaness

Financial Control Director

CFH GROUP

(CORPORATE FINANCE HOUSE GROUP)

GENERAL MANAGEMENT

Mr. Fawzi E. Farah

Chief Executive Officer

Mr. Abdul Karim M.B. Chamseddine

Chief Operating Officer & Deputy CEO

MANAGEMENT DISCUSSION AND ANALYSIS



A background image showing several business professionals in a meeting. A man in a suit is on the left, gesturing with his hand. A woman in a white top is in the center, also gesturing. Another man in a white shirt is on the right, looking towards the center. They appear to be in a modern office setting with large windows in the background.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

KEY FIGURES OF THE FNB GROUP

ECONOMIC ENVIRONMENT

BANKING SECTOR

FNB GROUP PERFORMANCE

KEY PERFORMANCE INDICATORS

FINANCIAL STATEMENTS

SOURCES OF FUNDS

USES OF FUNDS

PROFITABILITY

CAPITAL MEASUREMENT

FINANCIAL AND NON-FINANCIAL DEVELOPMENTS

INTRODUCTION

First National Bank S.A.L. is a commercial bank operating in Lebanon categorized within the Alpha Group banks. In 2016, FNB received the Excellence in Diversified Banking Services Award during the Banking Executive Award 2016 gala dinner organized by the World Union of Arab Bankers. FNB, named alongside the uppermost Lebanese banks in expansion during 2014, has won many other prizes, including STP Award 2014 for its excellence in the delivery of commercial payments and financial transfers drawn on a euro account with Commerzbank AG.

Founded in 1994, FNB has introduced a wide range of innovative products and upscale banking services to customers with a major focus on corporate, SME, individuals and the public sector.

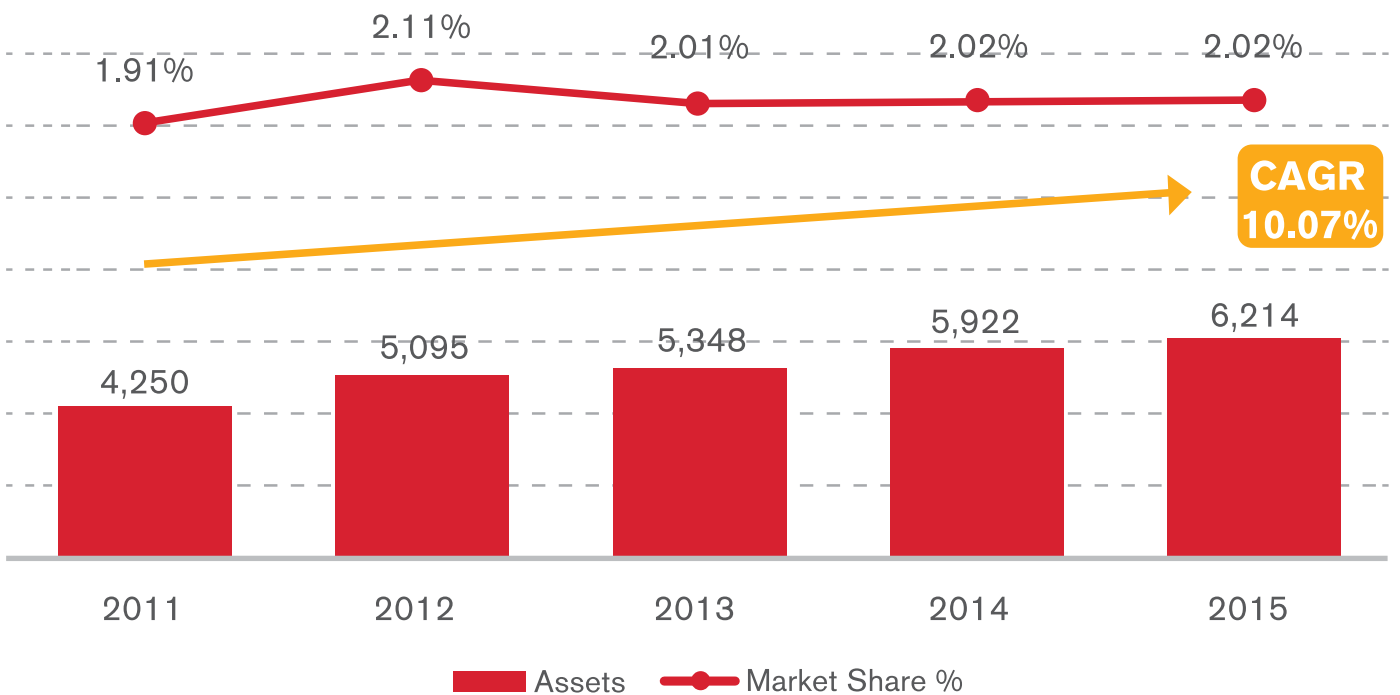
The acquisition of Middle East Capital Group (MECG) in 2008 and Capital Finance Company (CFC) in 2010 as well as Corporate Finance House (CFH) in 2014 bolstered volume, encouraged development, and strengthened the Group's network coverage which led to opportunities throughout the MENA region, Europe and the rest of the world.

The Management Discussion and Analysis displays the consolidated key financial figures of First National Bank S.A.L. and the main highlights of 2015. The charts demonstrate the cyclical trend of FNB results to better address the informational needs of the public and the regulators, specifically the shareholders.

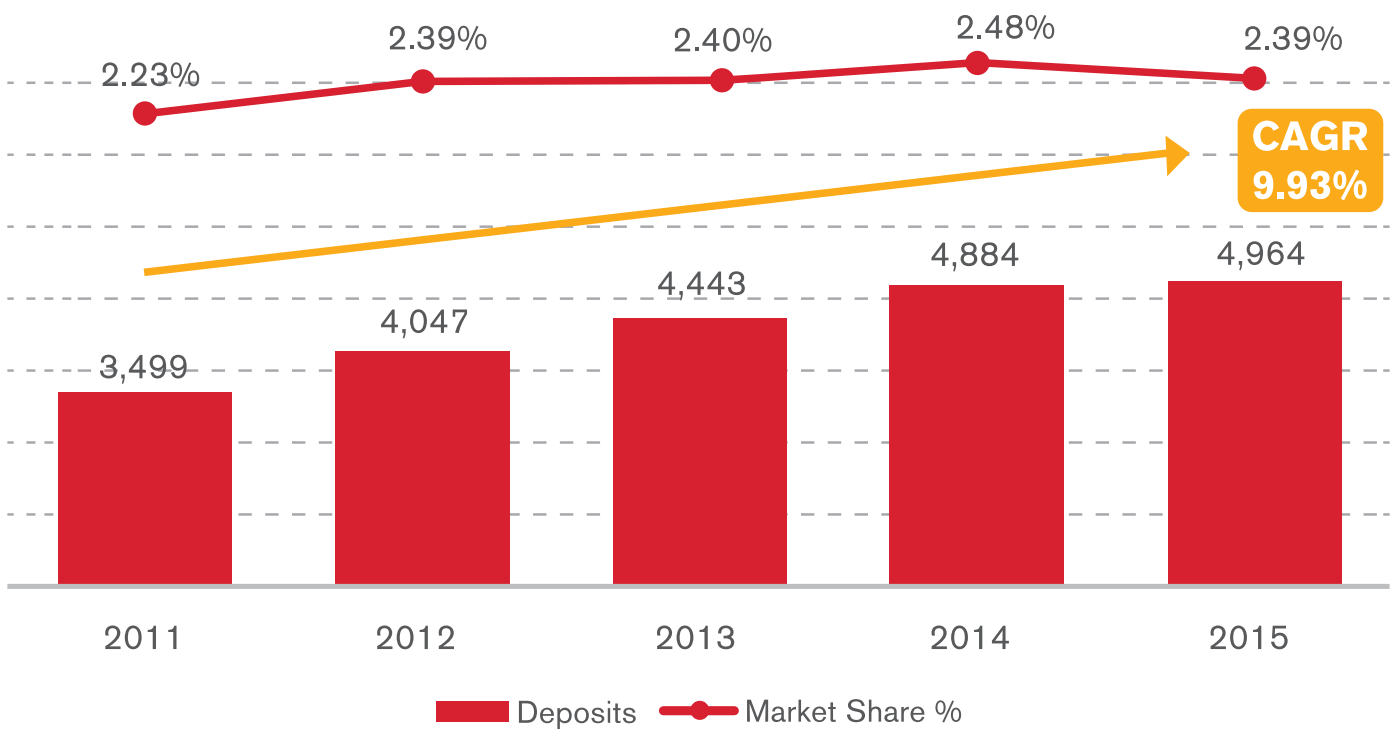
The terms "the bank" and "FNB", used without other qualifying descriptions, refer to First National Bank S.A.L. The term "Group" refers to FNB consolidated (with Middle East Capital Group "MECG" and Capital Finance Company "CFC") and Corporate Finance House (CFH). All statements of financial position are consolidated and are expressed in Lebanese pounds (LBP) unless otherwise stated, and are based on the audited consolidated statements of the external auditors, Deloitte & Touche and DFK Fiduciaire du Moyen-Orient. All references to the banking sector refer to the 53 banks operating in Lebanese territory and all references to peer groups or markets are those of the Alpha Group with total deposits exceeding 2 billion dollars each, as per bank data financial statements.

KEY FIGURES OF THE FNB GROUP

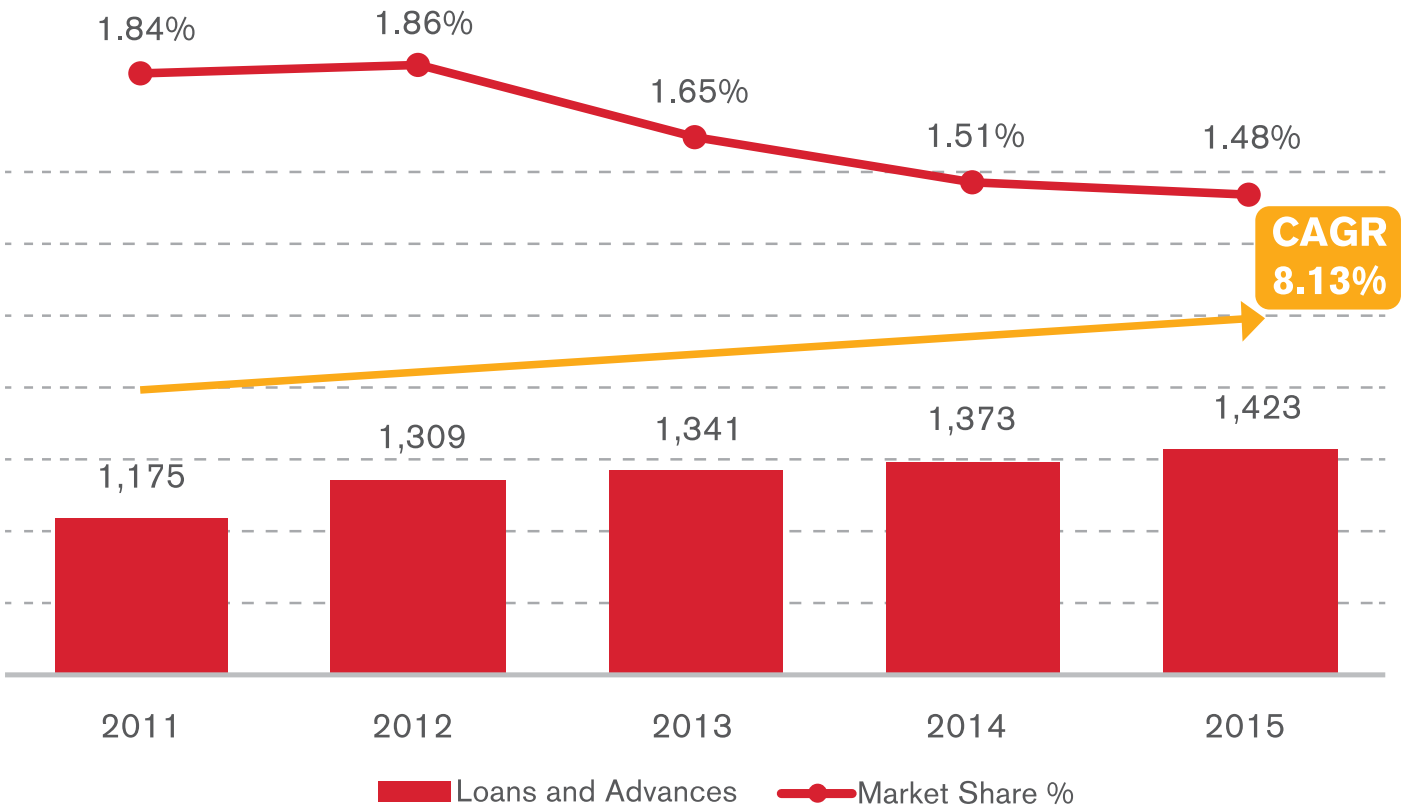
ASSETS IN BILLIONS LBP



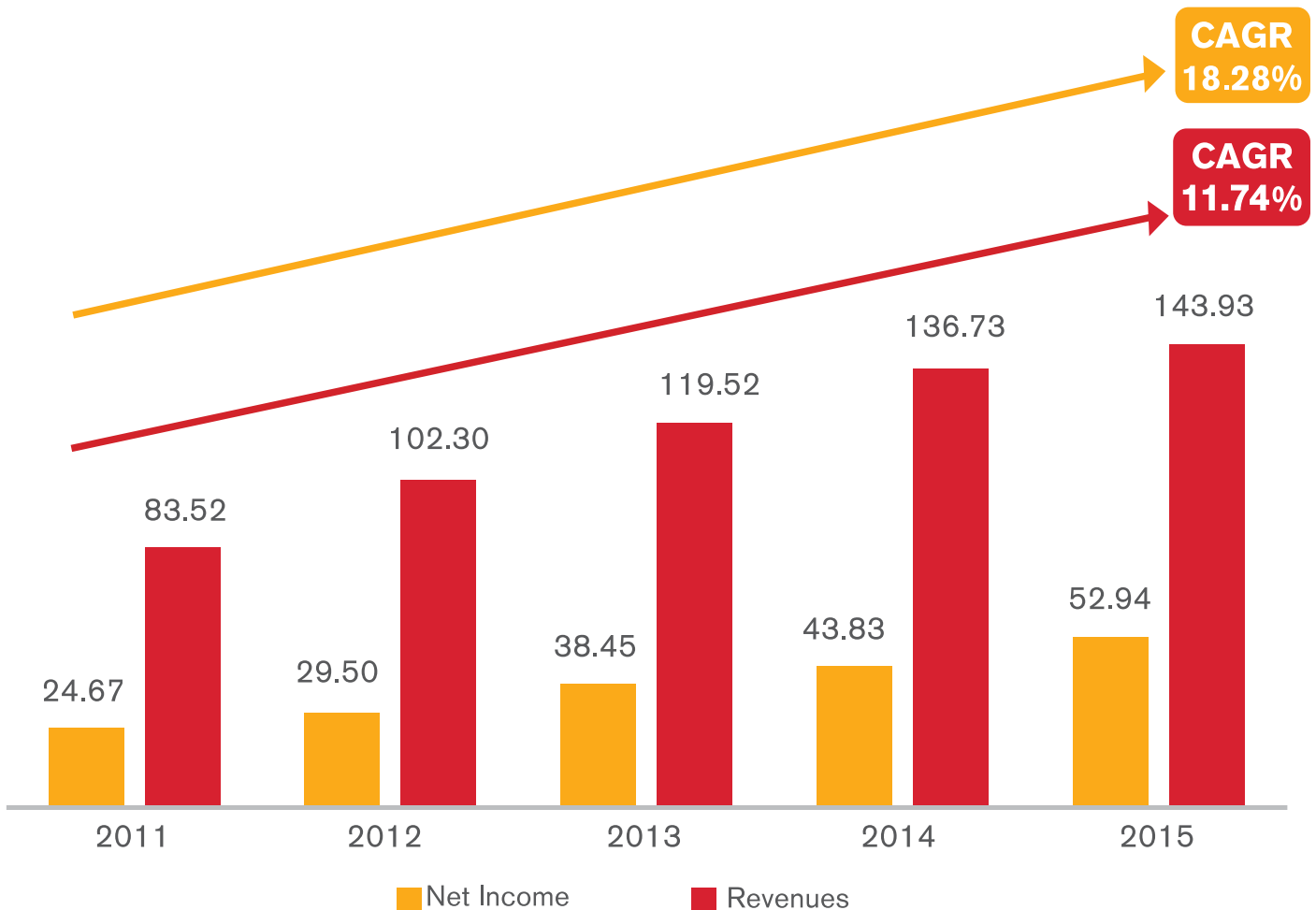
DOMESTIC DEPOSITS IN BILLIONS LBP



LOANS AND ADVANCES TO CUSTOMERS IN BILLIONS LBP



NET INCOME & REVENUES IN BILLIONS LBP



ECONOMIC ENVIRONMENT

According to the World Bank press release in June 2016, "The geo-economy presents Lebanon with challenges associated with being a nexus for regional fault lines and risks from its dependence on capital inflows. The growth outlook remains subdued as the Syrian conflict, the domestic political impasse, and some of the negative effects of falling oil prices provide significant headwind. Spatial industrial policies, most notably the development of industrial parks and special economic zones, offer Lebanon a viable tool to support increased investment and competitiveness in the industrial sector. The geo-economy also presents an opportunity in the form of tech startup ecosystems, where communities of entrepreneurs interact, becoming a viable source for high-skill job creation in Lebanon."

In 2015, the real economy underwent the worst period ever since the indicators started to drop on the charts a few years back. Regional conflicts and governmental paralysis obstructed the domestic demand and underwrote the balance of payment yearly deficit, yet the monetary situation shows a withstanding persistence with healthy money supply indicators and dynamic FX market.

The real GDP displayed a sluggish growth rate of 1% in 2015, while according to the Ministry of Finance the net public debt recorded a LBP 92,767 billion year-end 2015 growing by 7.4% compared to 7.7% in 2014, resulting in a debt-to-GDP ratio of 130% in 2015 compared to 133% in 2014.

Moreover, the BDL coincident indicator reflects the progress in the general state of the economy presenting a slight correction reaching 302.3 in 2015, growing from 292.5 in 2014, hence marking a 3.35% increase from last year's figures.

The Syrian crisis spillovers continue to influence the unhurried investment activity of the market. Nevertheless, foreign

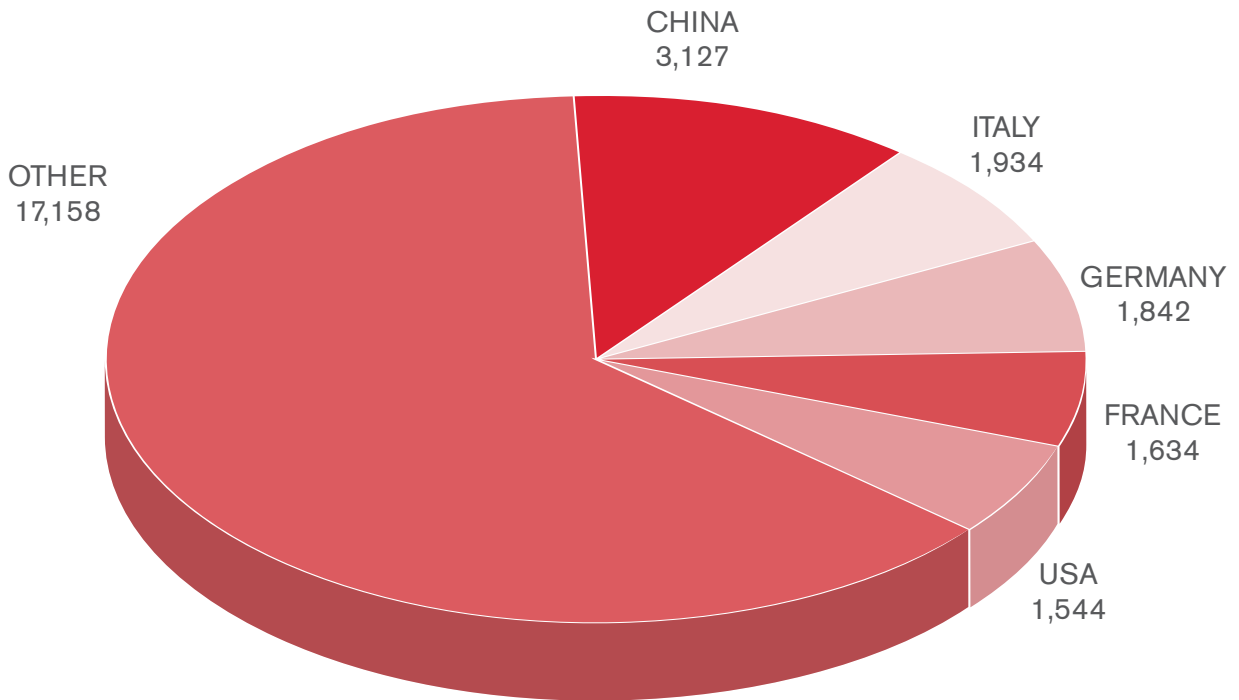
residency boosted the product consumption that is partially maintained by the United Nations financial support system. The consolidated balance sheet of Lebanese commercial banks attained a 5.9% growth rate in 2015 compared to a higher rate in the previous year reaching 6.6%, and the deposit dollarization stood at 64.9% in 2015 year-end.

The inflows mild motion could not overcome the Lebanese trade deficit and resulted in a total trade deficit of USD 15,116.4 million in December 2015. However, it was narrowed by 12% compared to the year 2014 that recorded a total of USD 17,180.9 million. Imports and exports declined by 11.8% and 10.9%, respectively, reaching USD 18,068.8 million and USD 2,952.4 million in 2015.

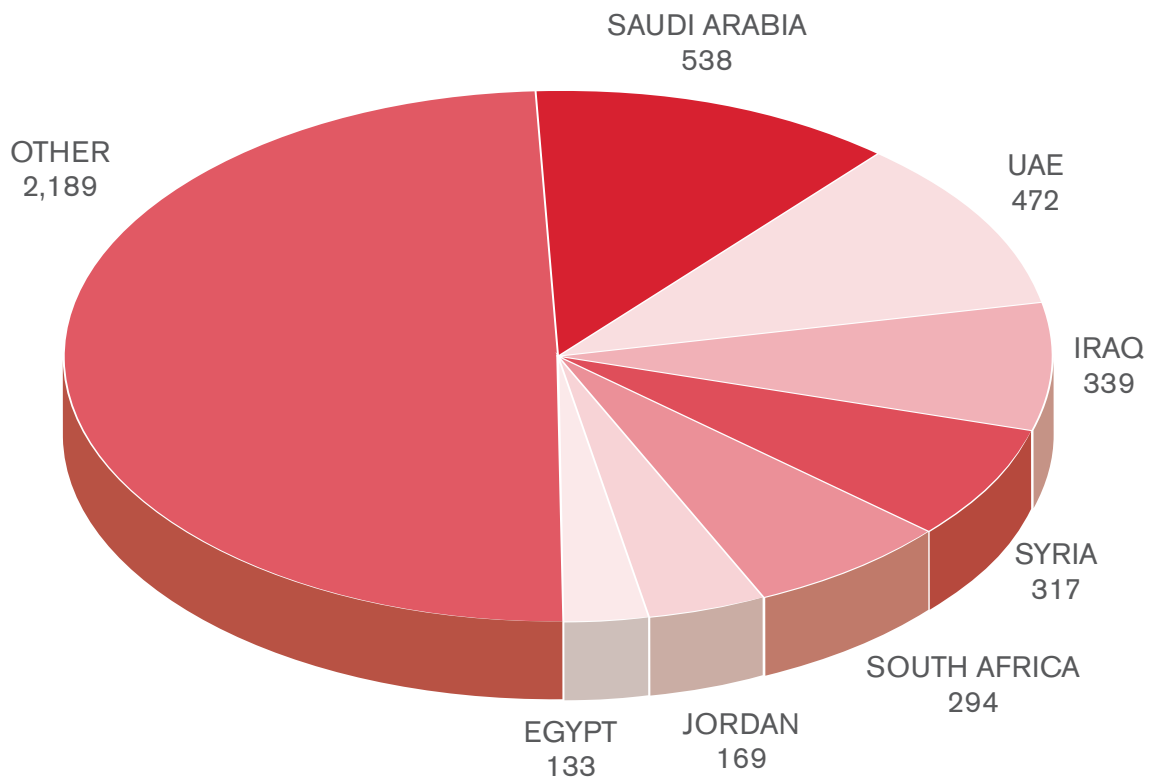
Furthermore, the central bank reserves in foreign currency reached USD 38,441.5 million in 2015, declining by 2% from last year as per BDL publications, and the average exchange rate of Lebanese pounds against the dollar remained at LBP 1,507.5. Interest rates on the Lebanese Treasury bills, the least risky of all the financial instruments in the Lebanese financial market despite being concentrated in the financial statements of Lebanese banks, remained unchanged during the year with 4.44% on three months, 4.99% on six months and 5.35%, 5.84% and 6.5% on one year, two years and three years, respectively. Interest rates in the commercial banks witnessed a growth during December 2015, reaching 7.45% for LBP loans, and remained stable on LBP deposits with 5.56%. The stock of money and quasi money (M3) was amplified by a 5% progress in 2015, compared to 5.9% in 2014.

The "on hold" position of investors is displayed through a decline of 8.6% in cement deliveries and of 8.9% in the area of construction permits during 2015. The average inflation rate is estimated to attain 2.3% in 2016.

IMPORTS BY ORIGIN IN 2015 IN BILLIONS LBP



EXPORTS BY DESTINATION IN 2015 IN BILLIONS LBP

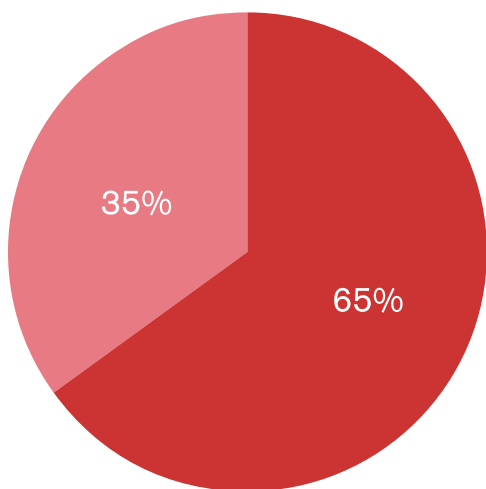


BANKING SECTOR

The consolidated statement of financial position for the commercial banks expanded by 5.9% in 2015 compared to 6.6% in 2014, reaching LBP 280,379 billion. Total resident and non-resident private sector deposit growth recorded LBP

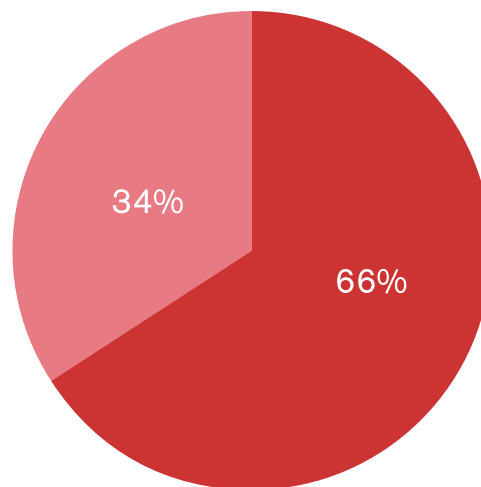
228,515 billion, increasing by 5% in 2015 compared to 6% in 2014. The dollarization rate of total bank deposits soared to 64.9% on average in December 2015 from 65.7% at the end of 2014.

DEPOSITS BY CURRENCY IN 2015



Lebanese ccy Foreign ccy

DEPOSITS BY CURRENCY IN 2014

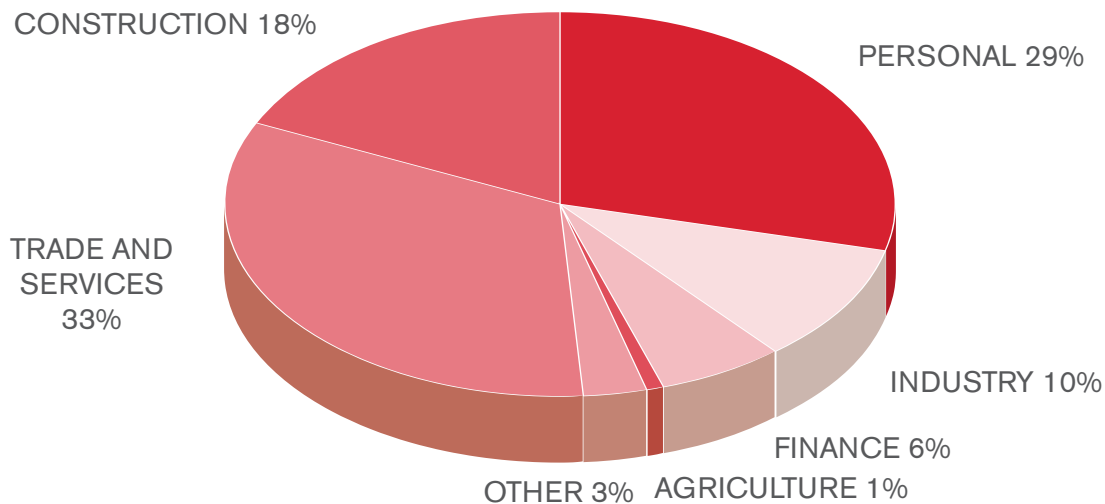


Lebanese ccy Foreign ccy

Loans and advances to customers endorsed a dynamic evolution through the market at the end of 2015. Loans and advances

to the private sector increased by an annual 6.53% compared to 7.42% in 2014, amounting to LBP 81,744 billion in 2015.

LOANS AND ADVANCES BY SECTOR IN 2015



Source: BDL Monthly Bulletin, December 2015

FNB GROUP PERFORMANCE

I- KEY PERFORMANCE INDICATORS

KEY PERFORMANCE METRICS

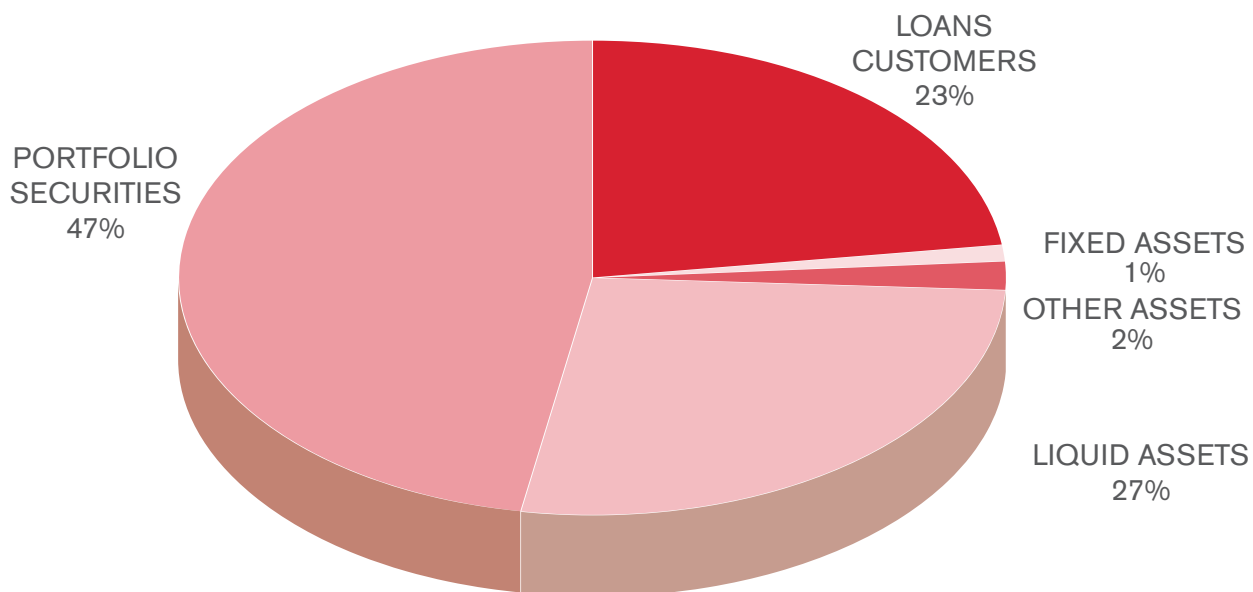
	2015	2014
Assets Quality		
Loans to deposits	28.67%	28.11%
Net doubtful loans/Total loans	0.74%	0.34%
Loan loss provisions/Gross loans	8.42%	7.76%
Net doubtful loans/Equity	1.76%	1.07%
Gross doubtful loans/Gross loans	8.17%	7.05%
Capital Adequacy		
Average shareholders' equity/assets	8.55%	7.24%
Shareholders' equity/loans and acceptances	40.73%	30.97%
Profitability		
ROAA	0.87%	0.78%
ROAE	10.20%	10.75%
Net interest income/average assets	1.78%	1.72%
Total interest paid/total interest received	67.68%	69.02%
Cost/income	55.72%	56.12%

II- FINANCIAL STATEMENTS

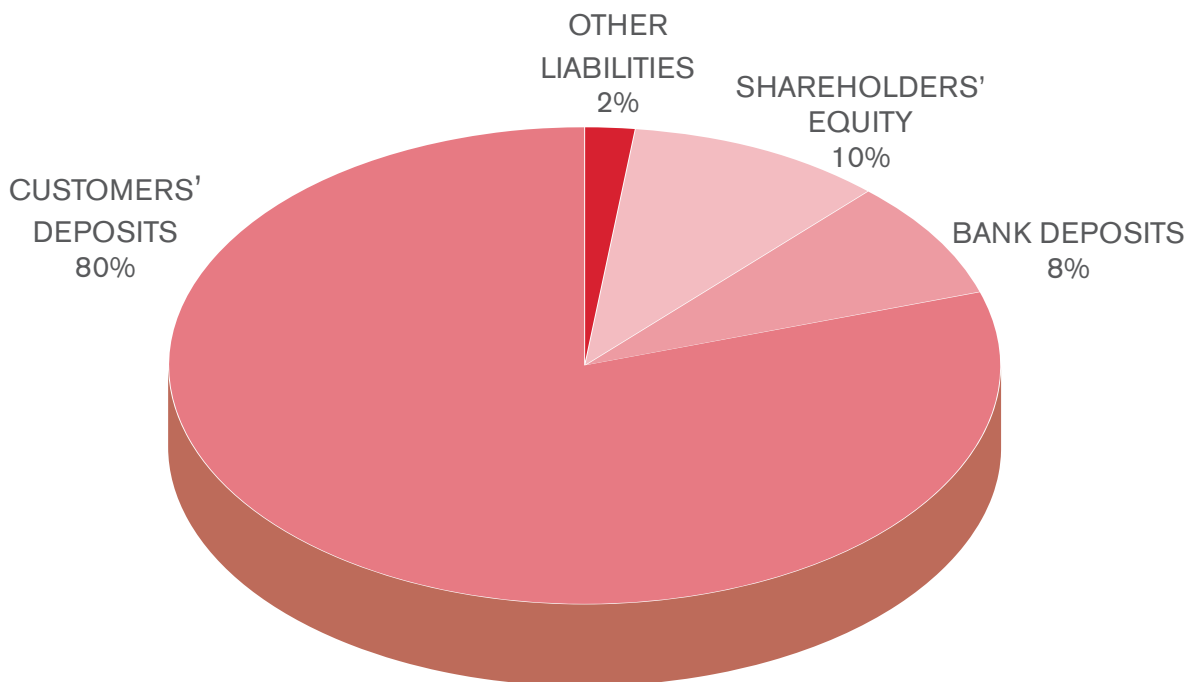
BALANCE SHEET (LBP MILLION)

	2015	2014	Variance	Growth (%)
Liquid assets	1,691,908	1,730,382	(38,474)	-2.2%
Portfolio securities	2,894,337	2,633,709	260,628	9.9%
Loans to customers	1,423,360	1,372,706	50,655	3.7%
Other assets	114,213	106,506	7,707	7.2%
Fixed assets	90,466	78,368	12,098	15.4%
Total assets	6,214,284	5,921,670	292,614	4.9%
Bank deposits	519,172	468,113	51,059	10.9%
Customers' deposits	4,964,010	4,883,507	80,503	1.6%
Other liabilities	132,372	131,099	1,273	1.0%
Shareholders' equity	598,730	401,264	197,465	49.2%
Blocked deposits for issuance of preferred shares	-	37,688	(37,688)	
Total liabilities and shareholders' equity	6,214,284	5,921,670	292,614	4.9%
Number of branches	26	25		
Number of staff	648	623		

ASSETS BREAKDOWN

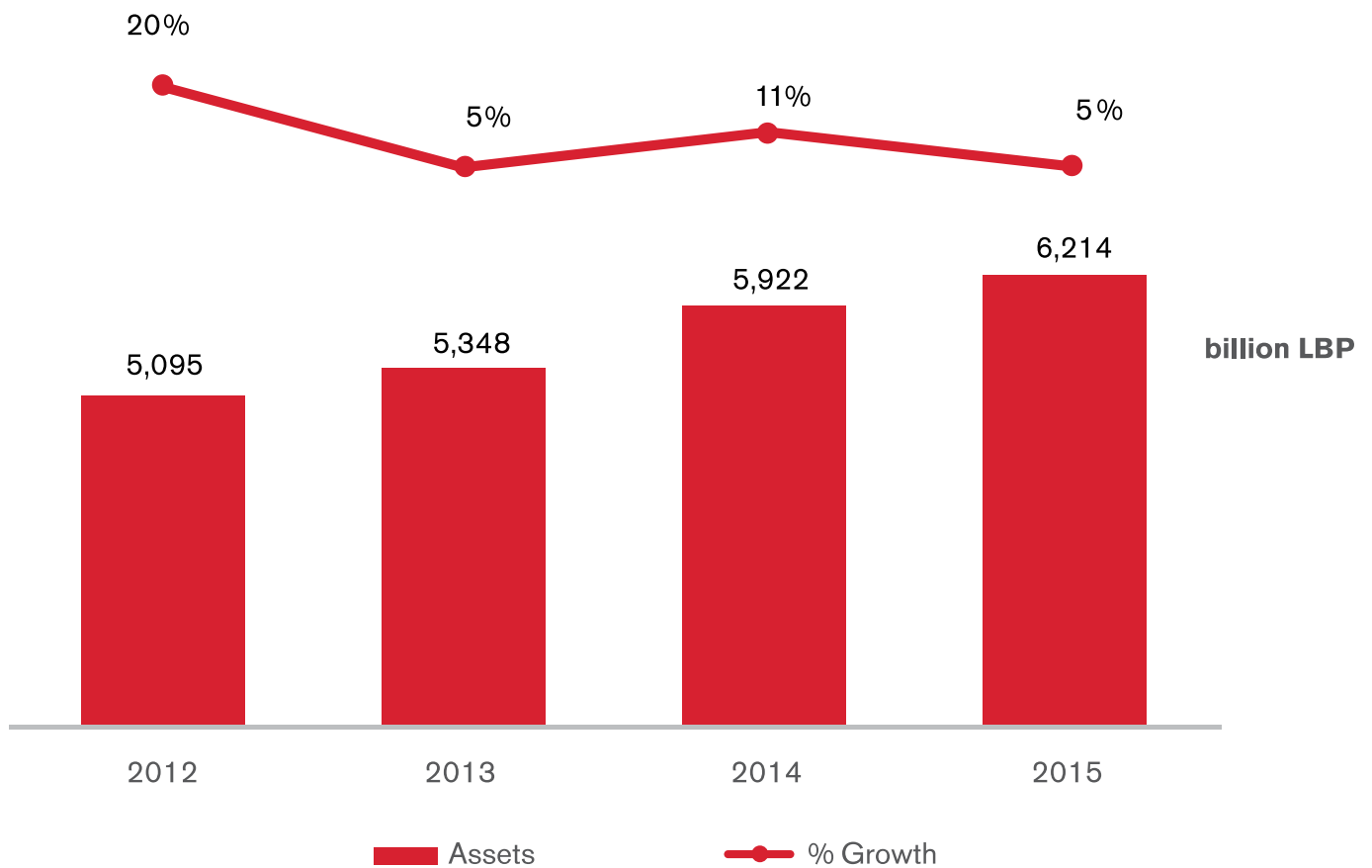


LIABILITIES BREAKDOWN



TOTAL ASSETS

The consolidated assets of the FNB Group as of December 31, 2015 amounted to approximately LBP 6,214 billion (USD 4.12 billion), marking a 5% increase from LBP 5,922 billion as of December 31, 2014.

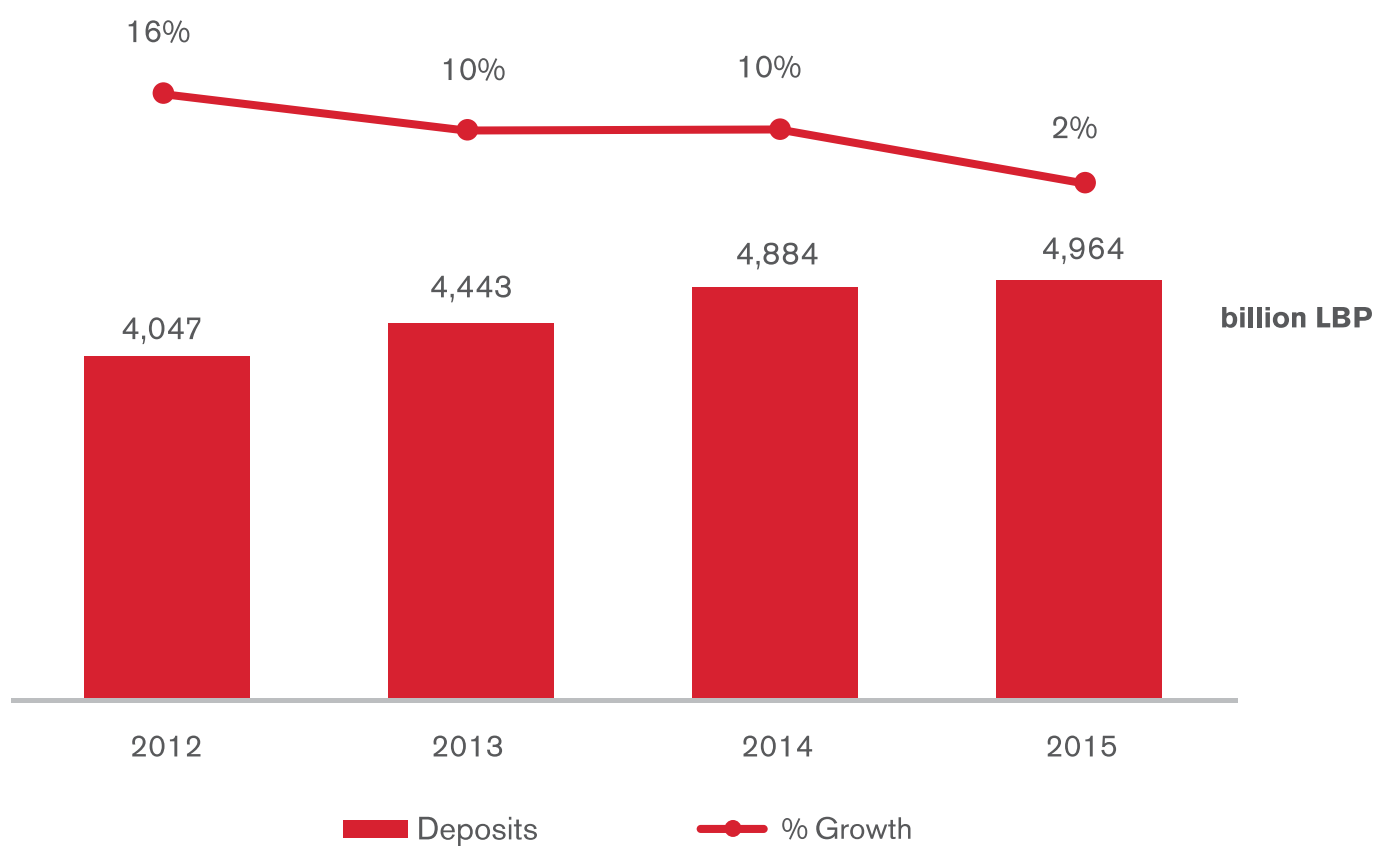


III- SOURCES OF FUNDS

The FNB Group's source of funding comes mainly from deposits from customers representing approximately 80% of total sources. Other sources of funds are from banks and financial institutions which represent 8%, equity 10%, and other sources 2%.

CUSTOMERS' DEPOSITS

As of December 31, 2015, the Group had accumulated a balance of LBP 4,964 billion (USD 3,293 million) in customers' deposits as compared to LBP 4,884 billion (USD 3,240 million) in 2014, reflecting a growth rate of 1.7%.



Dollarization

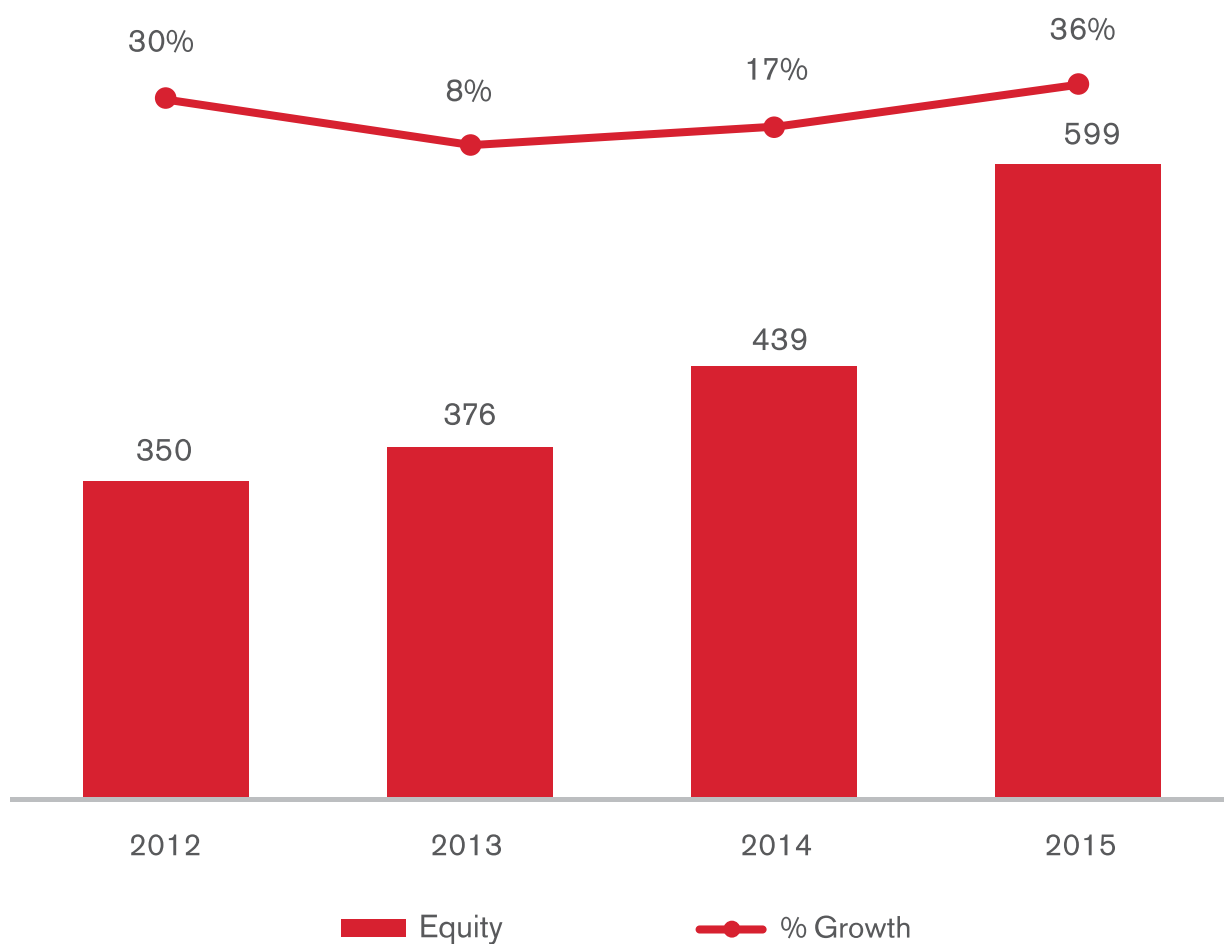
Deposits in Lebanese pounds increased by 8.4% in 2015 from LBP 1,731 billion as of December 31, 2014 to LBP 1,877 billion as of December 31, 2015, while deposits in foreign currency decreased from LBP 3,153 billion as of December 31, 2014 to LBP 3,087 billion in December 31, 2015. Accordingly, the dollarization ratio in 2015 slightly decreased to 62.2% as compared to 64.6% in 2014.

BANKS AND FINANCIAL INSTITUTIONS

As of December 31, 2015, deposits and borrowings from banks and financial institutions amounted to LBP 519.2 billion.

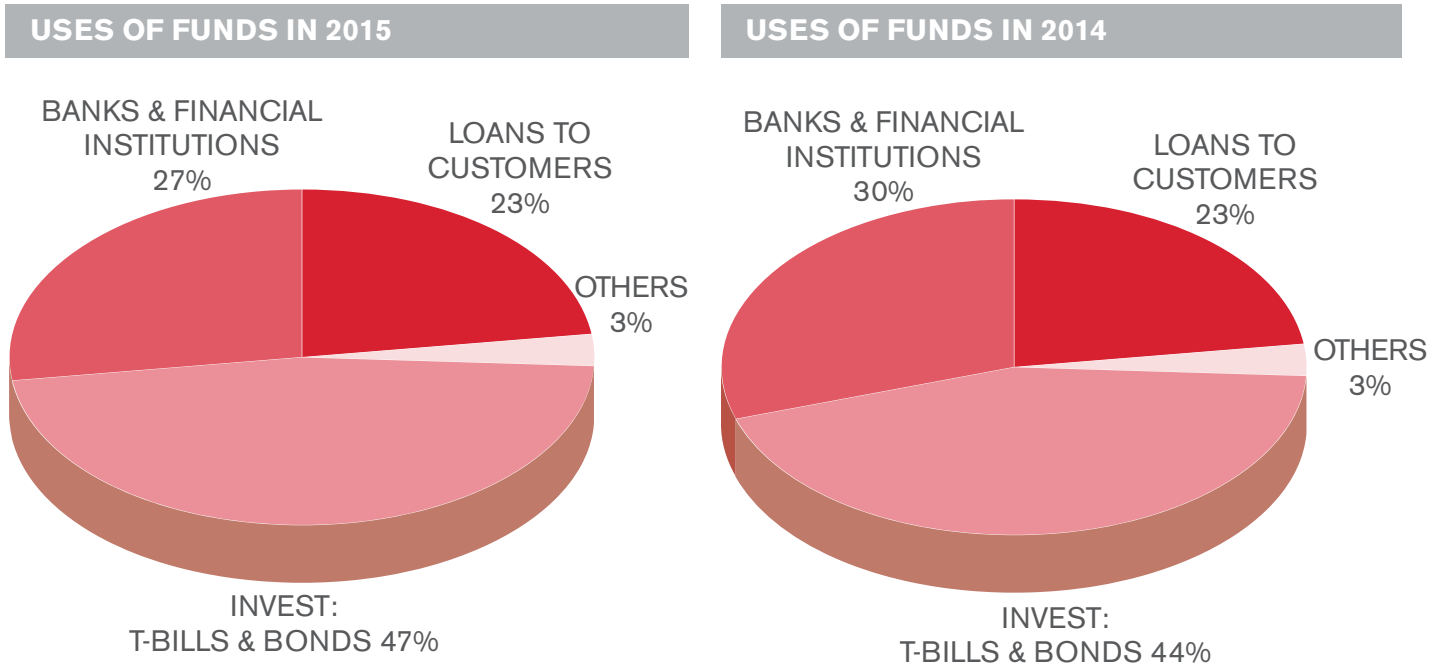
EQUITY

As of December 31, 2015, the Group shareholders' equity stood at LBP 599 billion (USD 397 million) compared to LBP 439 billion (USD 291 million) as of December 31, 2014.



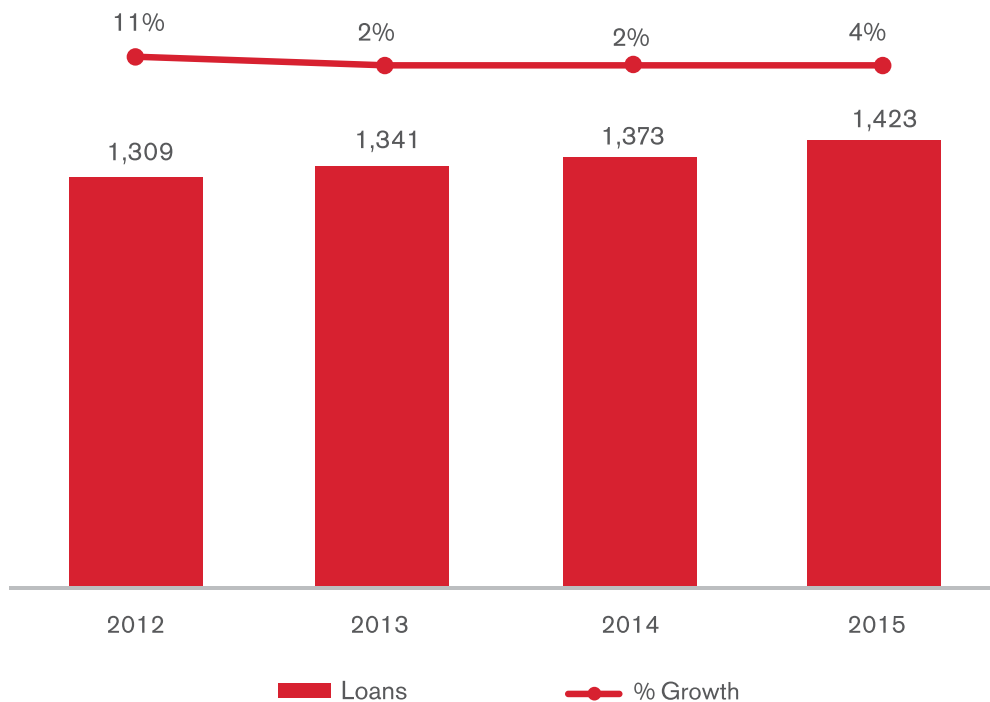
IV- USES OF FUNDS

The FNB Group's use of funding is classified into 3 main categories: Investments (T-bills & Bonds), Banks and Financial Institutions, and Loans and Advances to Customers.



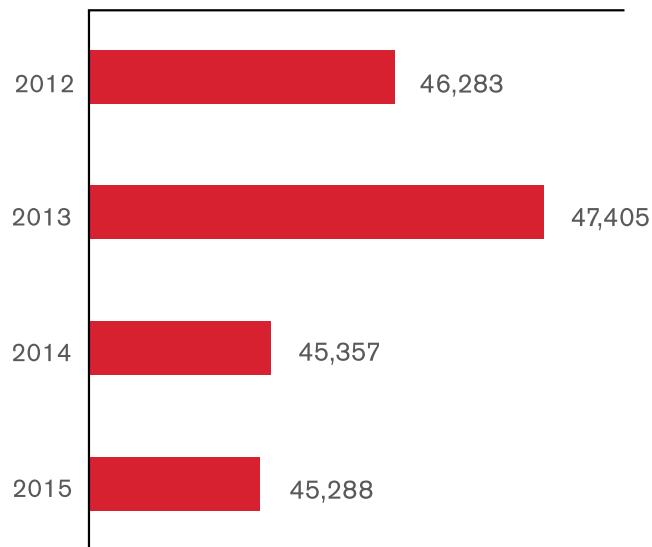
LOANS AND ADVANCES TO CUSTOMERS

The Group was also successful in developing its retail, SME and corporate lending sector. Loans and advances to customers increased by LBP 50.7 billion (USD 34 million) during 2015 to reach LBP 1,423 billion (USD 944 million) as of December 31, 2015, reflecting a growth rate of 4%.

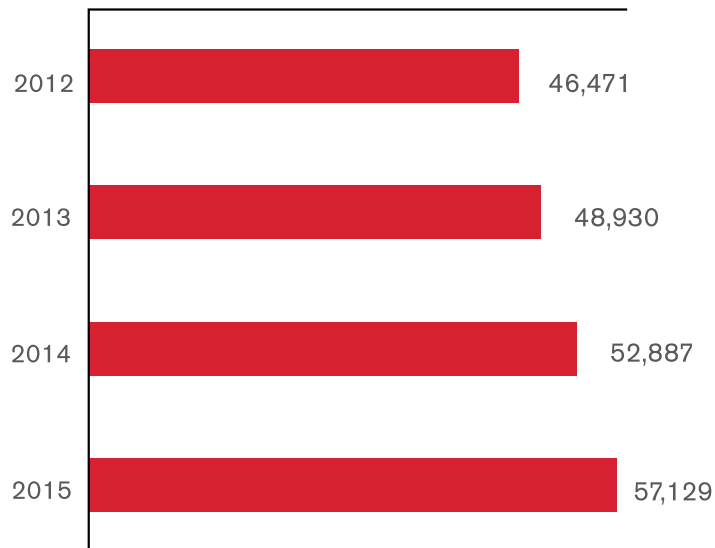


Number of Customers at the End of 2015

CUSTOMERS WITH LOANS FROM FNB GROUP



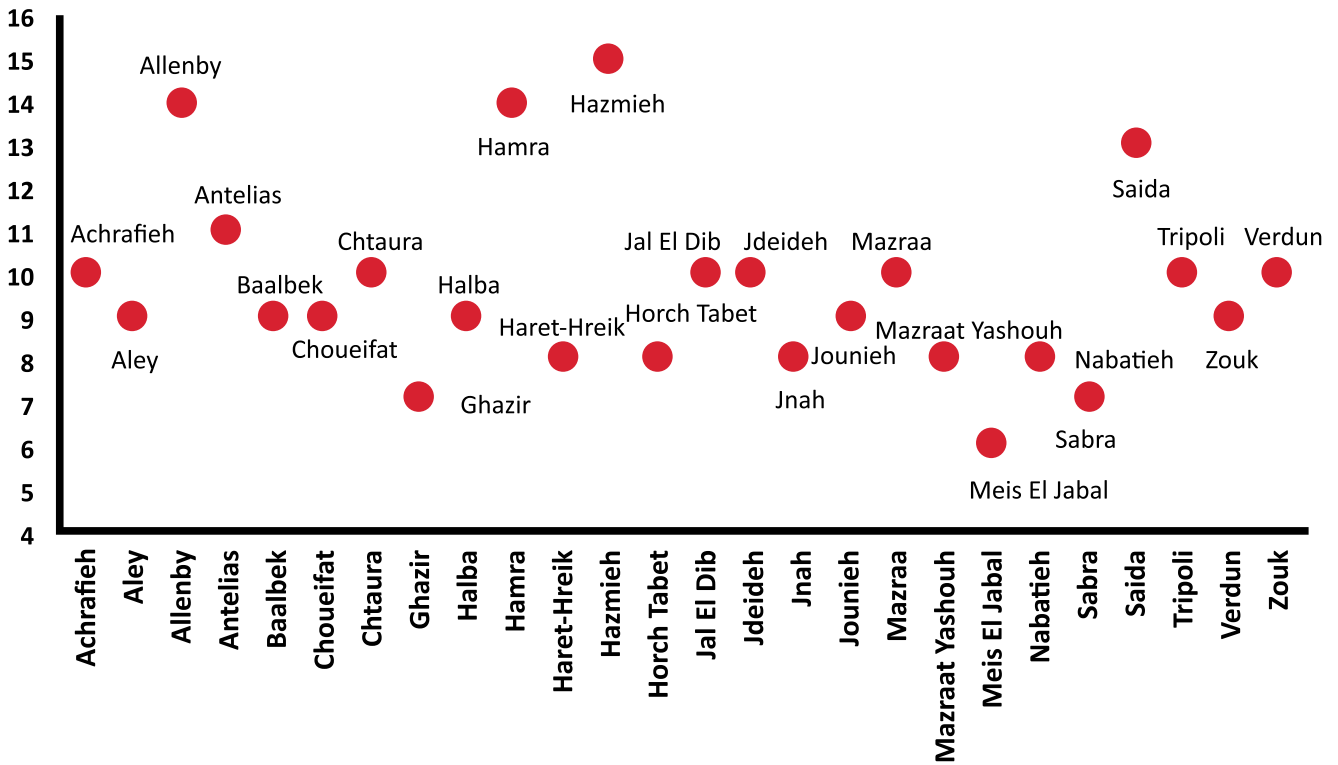
CUSTOMERS WITH DEPOSITS AT FNB GROUP



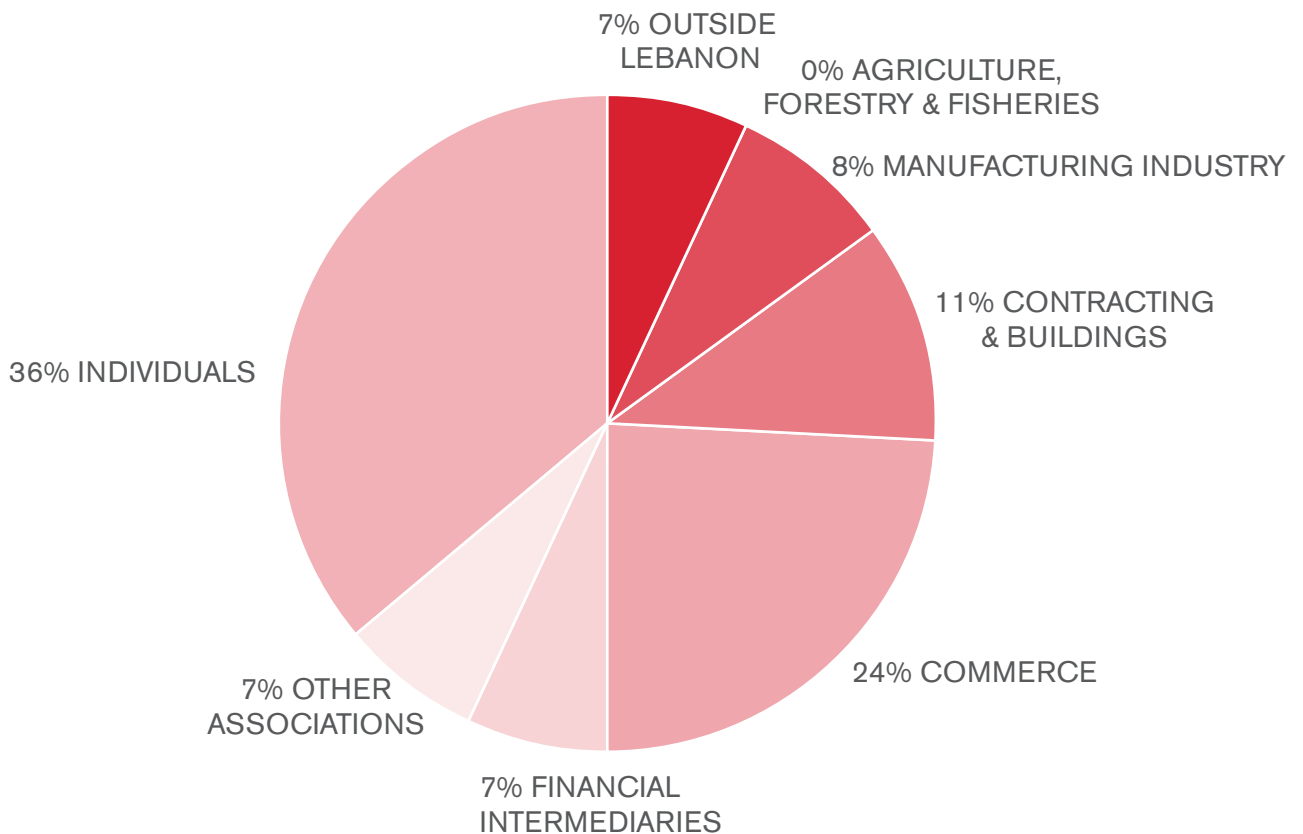
Branches and ATMs

The bank operates 31 ATMs within the 26 branches and there are 16 additional freestanding ATMs in order to allow banking access throughout Lebanon.

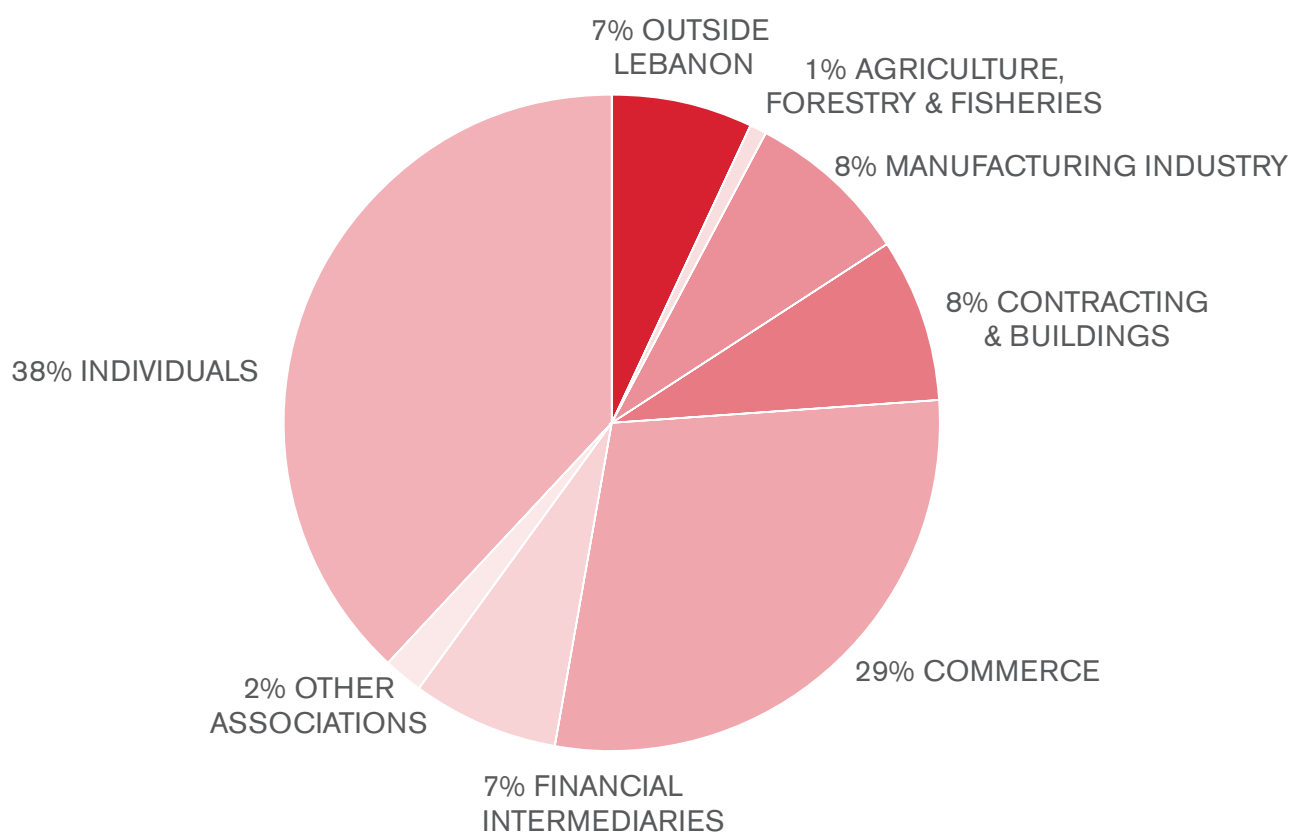
BRANCHES BY NUMBER OF EMPLOYEES



LOAN PORTFOLIO BY ECONOMIC SECTOR IN 2015



LOAN PORTFOLIO BY ECONOMIC SECTOR IN 2014



V- PROFITABILITY

Despite the stagnation of the markets, the massive efforts employed by FNB members resulted in financial success. The footing of the FNB Group recorded on December 31,

2015 a net income of LBP 52.9 billion (USD 35.1 million) as compared to LBP 43.8 billion (USD 29.1 million) at the end of 2014, reflecting an annual growth rate of 20.8%.

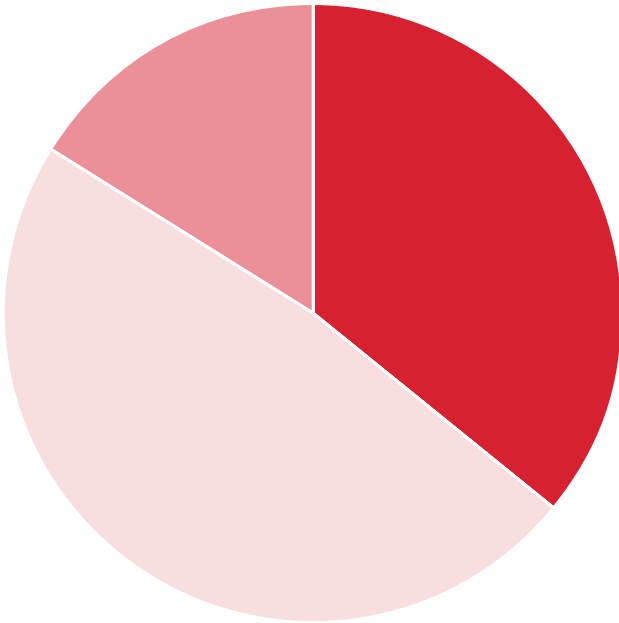
INCOME STATEMENT (LBP MILLION)

	2015	2014	Variance	Growth (%)
Interest income	61,888	68,553	(6,665)	-9.7%
Non-interest income	82,045	68,175	13,871	20.3%
Total income	143,933	136,727	7,206	5.3%
Operating expenses	(80,200)	(76,729)	(3,471)	4.5%
Loan loss provisions	(3,556)	(10,322)	6,767	-65.6%
Write-off of bad debts				
Tax	(7,237)	(5,843)	(1,393)	23.8%
Total expenses	(90,993)	(92,895)	1,902	-2.0%
Net income	52,941	43,832	9,108	20.8%

The distribution of both interest income and interest expense is illustrated as follows:

INTEREST INCOME 2015

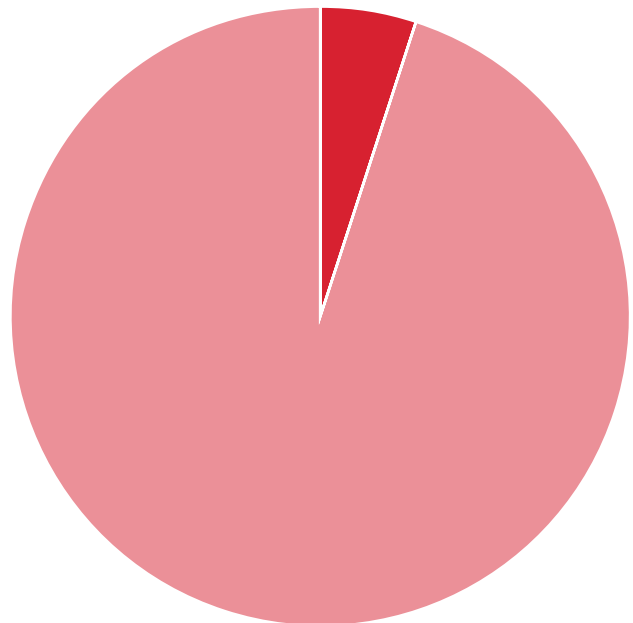
BANKS & FINANCIAL INSTITUTIONS 16% LOANS TO CUSTOMERS 36%



INVESTMENT SECURITIES 48%

INTEREST EXPENSE 2015

CERTIFICATE OF DEPOSITS 0% BANKS & FIN. INSTITIT 5%



DEPOSITS FROM CUSTOMERS 95%

Net fees and commissions reached LBP 13.8 billion (USD 9.2 million) as of December 31, 2015.

VI- CAPITAL MEASUREMENT

The Central Bank of Lebanon addresses the regulatory capital requirements to assist the bank in preserving and monitoring a strong capital base. The FNB Group, operating under BDL jurisdictions, fully complies with this set of regulations (Basel II compliant and in line with

the Basel III approach optimization by the year 2015). Risk-weighted assets and capital are examined periodically to assess the quantum of capital available to support growth and optimally deploy capital to achieve the targeted returns.

	2015	2014	2013	2012
Capital adequacy ratio Basel II	11.91%	11.72%	11.42%	8.69%

FINANCIAL AND NON-FINANCIAL DEVELOPMENTS

AUDIT

The Internal Audit Department continues to work on improving FNB Group's operations and the effectiveness of risk management, control, and governance processes by providing assurance and attestation services as well as carrying out professional audit assignments built on a systematic risk-based approach.

The staff and management of the Internal Audit Department stay abreast of the constant changes in the audit and control fields through internal and external training sessions pertaining to different business and banking topics. They tackle new areas to introduce improvements to the existing controls and the audit methodology.

In 2015, all FNB branches were duly audited and risk-rated according to the level of internal control and inherent operational risks, with the solid aim of enhancing the branches' risk profiles. Furthermore, the centralized departments planned for 2015 were audited within the mandated timeframe, in addition to unplanned audit missions and exceptional audit tasks that were performed in response to internal requirements and/or the enforcement of new regulations.

In 2016, the Internal Audit Department intends to increase the depth of its audits, identify new areas and stay well-informed of updates and changes, new regulations, internal and external requirements, as well as new standards.

COMPLIANCE & REVIEW

The Compliance Department at FNB ascertains that the bank is compliant with local and international regulations, internal policies and procedures. The department establishes the general compliance framework for the bank and its subsidiaries.

The Compliance Department holds a major responsibility in preserving the bank's integrity and reputation. During 2015, the Compliance Department enhanced its compliance and AML/CFT automated systems to facilitate the monitoring of customers and transactions and to enhance the quality of reports submitted to senior management.

Furthermore, the bank is FATCA-compliant since July 1st 2014.

CORRESPONDENT BANKING

Despite the political and economic uncertainties and the continuing instability in the region, the Bank focused on its core functions of managing and maintaining good relationships with our correspondent banks.

We are fully committed to enhancing our existing relationships with correspondent banks as well as developing new ones according to business needs, ensuring transparency and promoting compliance with regulatory requisites as well as lucidity in all transactions.

All throughout, the Bank ensures strict adherence to policies set by the Central Bank of Lebanon and the Banking Control Committee, as well as rules, regulations and practices enforced by international regulatory authorities.

We are therefore very cautious when conducting correspondent banking transactions in an endeavour to preserve and protect the interests of our shareholders, our customers, our institution as well as our Counterparts. In this respect, all efforts are exerted to fully predetermine the nature and origin of any transaction, whether in transfers or in trade finance, by applying stringent procedures prior to routing any transaction to our correspondent banks.

ELECTRONIC BANKING

In 2015, FNB implemented a new client segmentation strategy with a new product offering where the characteristics of existing products were amended to better fit with the new client segmentation and the best market practices. FNB also launched the new rewards mobile application and enhanced the rewards program by introducing new features enabling the cardholder to redeem his points for cash, get double points at certain merchants and use the card to pay for any shortfall of points when redeeming for gift items or travel service.

Furthermore, branch staff received intensive training on the bank's products and services to increase the level of awareness for a better level of quality service to customers.

To achieve higher profitability, the ATM network was expanded and some of the ATMs were relocated. The existing service provider agreement's fee structure was also renegotiated to reduce cost and increase the bank's profit share. Additionally, the cards business achieved higher performance both in terms of profitability and volume growth compared to the market. Cards portfolio was cleansed and the unpaid monthly outstanding balances reduced.

New processes and procedures were implemented, including the automation of the recently developed complaints

management solution and 3D secure authentication process for online transactions for better security.

Part of the future planned developments is the launching of new products and services, such as the premium debit card and the business card which is a payment solution and expense management tool designed and positioned to meet the needs of small, medium and large-sized enterprises. A new and advanced omni-channel solution, including Internet, mobile and corporate, is to be developed to provide a consistent customer experience. Also, a new friendly user login process and MOF tax payment will be added to the features of the Internet banking service. Other planned developments include cash and check deposit at the ATM, as well as the rollout of the Smart Branch to make banking simpler.

HUMAN RESOURCES

In 2015, the HR Department started working with the newly established Remuneration Committee of the Board and the HR Committee of the bank on all HR issues and programs. All the bank's policies, procedures and workflows are being reviewed and updated in collaboration with the Organization & Methods Department. Furthermore, working with upper management on changing the bank's grading system and creating four distinct occupational categories with specific minimum requirements provided a fairer and more transparent work environment.

Where staff is concerned, the department adopted an e-learning solution that is cost-efficient, highly informative and equivalently provided to all staff. HR started an annual training program for all branch employees on customer services, communication and selling skills and techniques to enhance their overall ability to better serve customers. BDL 103 certification requirements were enforced for all subject staff, mitigating the risks of non-compliance with this regulatory mandate. The pass rate as of end 2015 exceeded 52%.

The HR Department also launched a capacity planning project which registered and measured what staff do. As a result, clear, concise and comprehensive job descriptions for all approved positions were drafted. The project allowed HR and upper management to better understand the bank's staffing needs in a more scientific and measurable approach, and prepared the ground for future career ladders and job classification projects.

In addition, the department put into place a performance management environment based on a balanced methodology of Management by Objectives (MBO) and Competency Based Management (CBM). The time and attendance system to an online web-based application, which is a paperless and efficient solution, was upgraded.

Moreover, the HR Department implemented and launched the “We Connect” portal, which became the primary communication tool between HR, management and staff, keeping them informed of all the bank’s activities and events. The department also revamped the HR records and processes, streamlining all HR practices such as educational benefits, administration of annual leaves, overtime rules, etc.

Lastly, the CPO program with the Mutual of Bank’s Employees (MBE) was implemented, which grants all our employees and their dependent spouses post-retirement health insurance continuity option as per the regulations under the collective agreement.

As for the plans for 2016, the HR Department intends to pursue and enhance all the initiatives that were launched in 2015, in addition to implementing the new People 365 payroll and HR system, training the management team on situational management skills to improve their supervisory and managerial performance, and working closely with the HR Committee and the Remuneration Committee on finalizing the HR plan for 2016. 035

INFORMATION TECHNOLOGY

The Information Technology Department strives to provide the highest quality of technology-based services in the most cost-effective manner in order to support the bank’s business strategy through the development, implementation and management of its technological resources.

During 2015, the bank launched the core banking system upgrade to its latest version. This upgrade will enable the bank to utilize new functionalities and build business services and rules that would in turn increase the operational efficiency and control, and reduce human errors through automation. The upgraded system will also allow to easily connect to other platform using Service-Oriented Architecture (SOA).

To further propel our delivery channels and pursue the bank’s growth and expansion patterns, the following was achieved, allowing our clients to benefit from the bank’s services within their reach:

- Two new branches were inaugurated in Sin El Fil and Jal El Dib regions leading to an aggregate of 26 branches
- Two existing branches were relocated to better sites for the ease of access
- New ATMs were acquired to cover additional geographic areas

A new “SMS Wedding Account Package” was initiated to include an “SMS wedding list service” whereby the depositor will receive an instant “Thank you” message upon cash gift deposits and an SMS notification enabling the account holder to track cash gift deposits on his account.

Furthermore, additional enhancements and upgrades were applied to the existing applications, including, but not limited to: the Customer Relationship Management (CRM), the Know-Your-Customer (KYC) form, the Risk Rating System (RRS) and the Trade Innovation Collection module.

In addition to the credit departments (SME, Corporate and Credit Administration), the Enterprise Content Management system was implemented at the Trade Finance Department for document management purposes. It will be further expanded for the use by other departments as well as all branches in order to digitize document archiving and ensure ease of access.

Finally, the IT infrastructure was enhanced at all levels (communication, network, telephony, security, storage, backup, virtualization, disaster recovery data replication, etc.). The improvements at the backbone coupled with the deployment of proper monitoring tools will lead to enhanced IT services, increased productivity and proactive problem detection.

MARKETING

In 2015, FNB launched its new website designed with a fresh new look and user-friendly navigation, which includes many useful features and functionalities that will help visitors to learn more about the Bank’s structure, events, news, products and services, and to browse information based on their choices. Amongst the new features, visitors can apply online for any of FNB loans.

As social media has become a major and essential component of our everyday life, FNB launched its Facebook and Instagram pages to reach out to people quickly and efficiently.

Also in 2015, FNB launched the “National Fixed Income Fund”, an investment in Lebanese pounds combining secure fixed-income financial instruments and securities, and held a press conference on the subject.

The bancassurance unit aimed to introduce a new marine insurance product to meet the needs of SMEs and corporate clients. The unit’s main focus was to develop a sales culture within the bank to improve the quality of service and to build a solid long-term relationship with customers. Extensive training sessions were provided for all employees and on-site visits were organized to increase product knowledge and enhance the sales approach. During the summer campaign, clients were offered one free monthly premium upon subscribing to a savings plan (retirement or education) and a new incentive scheme was put into effect to create motivation. As a result, FNB further expanded its bancassurance portfolio and became the number one bank in the sales of savings plans.

As part of the Bank's corporate social responsibility, FNB continued to support the local community by sponsoring public and private events such as the Spring of Beirut with the Samir Kassir Foundation and the Social Service for the Welfare of Lebanese Children (SESOBEL) annual gala dinner.

Moreover, in an effort to support a whole day of fun entertainment and street performers, FNB sponsored this year's Hamra Festival (Ahla Fawda), a showcase of exceptional talent from all over Lebanon.

In addition, FNB sponsored the International Zouk Festival and invited its VIP clients to a sunset cocktail reception followed by a live performance by Jihad Akl.

RISK MANAGEMENT

The Risk Management Department at FNB operates independently from the business and provides oversight and control on a group level where major duties include monitoring the Group's risk policies in place, following up and reporting risk concerns across risk types and organizational units. The risk management function is headed by the Chief Risk Officer who reports directly to the Chairman of the Board, with access to the Board of Directors through the Board Risk Committee.

During 2015, FNB made notable steps in managing risks in a more robust and holistic manner across the Group, with the main objective of strengthening the risk strategy and governance.

We view risk culture as the foundation upon which a strong, enterprise-wide risk management framework is built upon. Creating and embedding a strong risk culture is the cornerstone of effective risk management for both the Group and our clients.

We further aimed at enhancing our risk management processes by optimizing capital and resources, improving risk management controls, enhancing enterprise-wide risk reporting for more effective risk oversight, and streamlining risk practices for more effectiveness and consistency across the Group.

In an effort to increase the department's efficiency, BI tools and data visualization were introduced to its reporting arsenal, allowing additional automation while enhancing monitoring, problem solving and decision making capabilities. Consequently, the department improved its policies' robustness and sturdiness to capture additional risk factors.

During 2015 the bank has acquired Moody's RiskAnalyst as its new Credit Risk Rating System to optimize and better capture Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) through specific models and scorecards, in response to new regulatory requirements, most notably the International Financial Reporting Standards 9

(IFRS 9), facilitating Expected Credit Loss (ECL) framework/policy application, implementation and calculation.

This Risk Management Department applies different stress-testing techniques on different risk factors to properly assess its capital conservation buffer, as suggested by the Basel Committee and local regulators.

On the other hand, the risk and capital strategy is being monitored annually through the Internal Capital Adequacy Assessment process (ICAAP) to identify and assess risks, maintain sufficient capital to face these risks and apply appropriate risk-management techniques to ensure adequate capitalization on an ongoing basis. As part of the capital budgeting process of the bank, a capital planning exercise was conducted to assess the capital required for the projected 3-year period considering risks under Pillars 1 and 2, further taking into consideration the sufficiency of the capital conservation buffer in light of the different stress tests results.

TREASURY

First National Bank has developed its Treasury and Capital Markets Division to offer the best service to its clients while being strongly competitive in the Lebanese financial market.

The primary functions of the Treasury are to resolve complex and financial challenges such as liquidity and cash flow management, interest rates and foreign exchange exposure. Liquidity risk management is essential to safeguard the ability of the bank to meet all payment obligations when they come due. Capital management is used to develop an optimal capital structure that maximizes equity returns whilst meeting the requirements of regulators and markets.

The mission of our Treasury Department is to provide our clients with tailored financing and risk management solutions, to give access to local and international capital markets and to deliver investment solutions and structured products that meet the clients' needs.

Our dealers are members of The Financial Markets Association in Lebanon (ACI). Their timely market information service guarantees that the clients receive the latest industry news and product and service updates. In addition, they play a key role in ensuring all new regulations are enforced and new standards are properly implemented.

Internationally, FNB's Treasury Department uses a conservative approach toward investment while abiding by the Central Bank's circulars. Our experienced team of specialists deals with the top world-class correspondent and is equipped with advanced platforms to assist clients in a safe and timely manner.

CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONSOLIDATED STATEMENT OF CASH FLOWS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

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To the Shareholders First National Bank S.A.L. Beirut, Lebanon

We have audited the accompanying consolidated financial statements of First National Bank S.A.L. (the "Bank") and its Subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements, within the framework of banking laws in Lebanon. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether

due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 financial position of First National Bank S.A.L. and its Subsidiaries as of December 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Beirut, Lebanon
May 26, 2016



DFK Fiduciaire du Moyen-Orient



Deloitte & Touche

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	December 31,	
		2015	2014
LBP'000			
ASSETS			
Cash and deposits with Central Bank of Lebanon	5	1,161,719,562	1,122,174,568
Deposits with banks and financial institutions	6	500,575,102	590,768,142
Financial assets at fair value through profit or loss	7	734,783,548	459,444,394
Loans to banks and financial institutions	8	29,613,020	17,438,941
Loans and advances to customers	9	1,423,360,307	1,372,705,687
Due from related parties	10	4,745,679	3,470,586
Financial assets at fair value through other comprehensive income	11	10,827,767	9,469,583
Financial assets at amortized cost	12	2,148,725,636	2,164,794,890
Customers' liability under acceptances	13	46,638,680	44,773,576
Other assets	14	31,890,285	28,496,409
Investment in and loan to an associate	15	241,212	241,212
Assets acquired in satisfaction of loans	16	4,102,405	3,014,977
Property and equipment	17	90,054,688	77,871,136
Goodwill	18	27,006,068	27,006,068
Total Assets		6,214,283,959	5,921,670,169
FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK			
Guarantees and standby letters of credit	35	112,887,186	120,367,577
Documentary and commercial letters of credit	35	14,641,316	31,152,945
Forward exchange contracts	35	67,025,021	71,980,762
FIDUCIARY DEPOSITS AND ASSETS UNDER MANAGEMENT			
	36	324,136,565	385,032,890

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	December 31,	
		2015	2014
LBP'000			
LIABILITIES			
Deposits and borrowings from banks and financial institutions	19	519,171,916	468,112,613
Customers' deposits and credit accounts	20	4,964,010,281	4,883,506,797
Liability under acceptances	13	46,638,680	44,773,576
Other liabilities	21	52,562,456	54,026,288
Provisions	22	10,260,636	9,642,676
Cumulative preferred shares	23	22,910,296	22,656,235
Total liabilities		5,615,554,265	5,482,718,185
Blocked deposits for issuance of preferred shares	25	-	37,687,500
EQUITY			
Capital	24	162,300,000	160,800,000
Additional paid in capital	24	39,921,454	39,921,454
Preferred shares	25	75,379,139	60,292,500
Treasury preferred shares	25	-	(22,605,000)
Reserves	26	65,892,588	54,465,200
Cumulative change in fair value of financial assets at fair value through other comprehensive income	11	(4,063,916)	(3,255,779)
Retained earnings		81,660,649	67,346,843
Profit for the year		46,875,216	43,780,440
Equity attributable to owners of the Bank		467,965,130	400,745,658
Non-controlling interests	27	130,764,564	518,826
Total equity		598,729,694	401,264,484
Total Liabilities and Equity		6,214,283,959	5,921,670,169

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTES	Year Ended - December 31	
		2015	2014
LBP'000			
Interest income	28	287,536,808	284,949,039
Interest expense	29	(225,648,775)	(216,396,415)
Net interest income		61,888,033	68,552,624
Fee and commission income	30	19,938,403	18,666,037
Fee and commission expense	31	(6,103,496)	(6,090,140)
Net fee and commission income		13,834,907	12,575,897
Net interest and gain or loss on financial assets at fair value through profit or loss	32	57,295,948	39,651,561
Other operating income (net)	33	10,914,362	15,947,205
Net financial revenues		143,933,250	136,727,287
Allowance for impairment of loans and advances to customers (net)	9	(3,555,569)	(10,322,266)
Net financial revenues after allowance for impairment		140,377,681	126,405,021
Staff costs		(48,262,669)	(46,453,992)
Administrative expenses		(27,703,160)	(26,338,057)
Depreciation and amortization	34	(4,234,598)	(3,937,337)
Profit before income tax		60,177,254	49,675,635
Income tax expense	21	(7,236,623)	(5,843,437)
Profit for the year		52,940,631	43,832,198
Attributable to:			
Owners of the Bank		46,875,216	43,780,440
Non-controlling interests		6,065,415	51,758
		52,940,631	43,832,198

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year Ended - December 31	
	2015	2014
	LBP'000	
Profit for the year	52,940,631	43,832,198
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	(950,750)	-
Deferred Taxes	142,613	-
Other comprehensive income	(808,137)	-
Total comprehensive income for the year	52,132,494	43,832,198
Attributable to:		
Owners of the Bank	46,067,079	43,780,440
Non-controlling interests	6,065,415	51,758
	52,132,494	43,832,198

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital	Additional Paid-in-Capital	Preferred Shares	Treasury Preferred Shares	Legal Reserves	Reserves for General Banking Risks
LBP'000						
Balances at January 1, 2014	154,500,000	28,173,355	60,292,500	-	11,776,042	31,222,012
Increase in capital (Note 24)	6,300,000	11,748,099	-	-	-	-
Acquisition of treasury shares (Note 25)	-	-	-	(22,605,000)	-	-
Allocation of 2013 profit	-	-	-	-	3,301,699	7,032,677
Dividends paid (Note 38)	-	-	-	-	-	-
Total comprehensive income for the year 2014	-	-	-	-	-	-
Balances at December 31, 2014	160,800,000	39,921,454	60,292,500	(22,605,000)	15,077,741	38,254,689
Increase in capital (Note 24)	1,500,000	-	-	-	-	-
Redemption of treasury shares	-	-	(22,605,000)	22,605,000	-	-
Issuance of preferred shares	-	-	37,691,639	-	-	-
Allocation of 2014 profit	-	-	-	-	3,768,943	7,650,789
Effect of a newly consolidated fund	-	-	-	-	-	-
Dividends paid (Note 38)	-	-	-	-	-	-
Total comprehensive income for the year 2015	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-
Balances at December 31, 2015	162,300,000	39,921,454	75,379,139	-	18,846,684	45,905,478

Reserve for Assets Acquired in Satisfaction of Loans	Cumulative Change in Fair Value of Equity Securities	Retained Earnings	Profit for the Year	Equity Attributable to Owners of the Bank	Non-controlling Interests	Total Equity
LBP'000						
1,125,115	(3,255,779)	53,767,466	38,429,877	376,030,588	467,068	376,497,656
-	-	-	-	18,048,099	-	18,048,099
-	-	-	-	(22,605,000)	-	(22,605,000)
7,655	-	28,087,846	(38,429,877)	-	-	-
-	-	(14,508,469)	-	(14,508,469)	-	(14,508,469)
-	-	-	43,780,440	43,780,440	51,758	43,832,198
1,132,770	(3,255,779)	67,346,843	43,780,440	400,745,658	518,826	401,264,484
-	-	(1,500,000)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	37,691,639	-	37,691,639
7,656	-	32,353,052	(43,780,440)	-	-	-
-	-	-	-	-	130,210,905	130,210,905
-	-	(16,867,028)	-	(16,867,028)	(6,029,884)	(22,896,912)
-	(808,137)	-	46,875,216	46,067,079	6,065,415	52,132,494
-	-	327,782	-	327,782	(698)	327,084
1,140,426	(4,063,916)	81,660,649	46,875,216	467,965,130	130,764,564	598,729,694

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	Year Ended - December 31,	
		2015	2014
LBP'000			
Cash flows from operating activities:			
Profit for the year		52,940,631	43,832,198
Adjustments for:			
Interest income	28&32	(331,843,943)	(311,957,846)
Interest expense	29	225,648,775	216,396,415
Income tax expense	21	7,236,623	5,843,437
Amortization of premiums and discounts	12	10,820,723	17,654,929
Depreciation and amortization	34	4,234,598	3,937,337
Write-off of provision for early redemption of financial assets at amortized cost		-	451,446
Allowance for impairment of loans and advances to customers	9	3,555,569	10,322,266
Loss on disposal of equipment		76,288	118,444
Loss on sale of assets acquired in satisfaction of loans	33	379,134	295,259
Net change in fair value of financial asset at fair value through profit or loss	32	(10,645,524)	(9,507,690)
Difference of exchange on financial assets at fair value through other comprehensive income		-	195,150
Difference of exchange on financial assets at amortized cost	12	3,710,435	3,450,725
Prior year adjustments		327,084	-
Amortization of premium on cumulative preferred shares		254,061	-
Provisions set up during the year	22	946,497	1,488,662
		(32,359,049)	(17,479,268)
Net increase in term placements with banks and compulsory reserve		(57,503,287)	(98,356,414)
Net increase in loans to banks		(12,035,024)	(6,384,631)
Net increase in loans and advances to customers		(57,038,871)	(44,146,574)
Net increase in due from related parties		(1,275,093)	(1,690,922)
Net increase in investment securities at amortized cost and at fair value through profit or loss		(129,575,943)	(290,388,429)
Net (increase)/decrease in financial assets at fair value through other comprehensive income		(2,274,767)	1,543,695

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	Year Ended - December 31,	
		2015	2014
LBP'000			
Net increase in other assets		(3,461,030)	(11,326,969)
Net increase in deposits from banks and financial institutions		51,283,861	25,090,074
Net increase in customers' deposits and credit accounts		77,526,995	441,338,236
Net decrease in other liabilities		(2,852,878)	(9,726,975)
Settlement of provisions	22	(328,538)	(1,464,234)
Net cash (used in)/generated in operations		(169,893,624)	(12,992,411)
Proceeds from disposal of assets acquired in satisfaction of loans	16	980,451	521,329
Income tax paid		(5,843,437)	(8,390,633)
Interests received		327,870,067	308,794,208
Interests paid		(222,896,844)	(216,616,125)
Net cash (used in)/generated by operating activities		(69,783,387)	71,316,368
Cash flows from investing activities:			
Purchase of property and equipment	17	(16,384,983)	(13,769,710)
Proceeds from disposal of equipment		100,312	170,615
Net cash used in investing activities		(16,284,671)	(13,599,095)
Cash flows from financing activities:			
Issuance of cumulative preferred shares	23	-	22,656,235
Treasury preferred shares		-	(22,605,000)
Blocked deposits for issuance of preferred shares	25	-	37,687,500
Dividends paid	38	(22,896,912)	(14,508,469)
Net cash (used in)/generated by financing activities		(22,896,912)	23,230,266
Net (decrease)/increase in cash and cash equivalents		(108,964,970)	80,947,539
Cash and cash equivalents - Beginning of year		515,611,104	433,686,214
Cash received through business combination	39	-	977,351
Cash and cash equivalents-End of year	39	406,646,134	515,611,104

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

1- GENERAL INFORMATION

First National Bank S.A.L. (the "Bank") is a Lebanese joint stock company established in 1991 and registered in the Commercial Register under the Number 67480 and in the Central Bank of Lebanon list of banks under number 108. The Bank carries out a full range of banking services through a network of twenty six branches in various Lebanese regions. The consolidated financial statements of the Bank as at December 31, 2015 comprise the Bank and its subsidiaries, Middle East Capital Group and its Subsidiaries ("MECG") (2015 and 2014: 98.92%), Capital Finance Company S.A.L. ("CFC") (2015 and 2014: 100%) and Corporate Finance House ("CFH") (2015 and 2014: 100% acquired by MECG Group) and are hereafter referred to as (the "Group"). The Bank's headquarters are located in Beirut, Lebanon.

2- NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1- Application of New and Revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2015, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2- New and revised IFRS in issue but not yet effective

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

NEW AND REVISED IFRSs	Effective for Annual Periods Beginning on or After
<ul style="list-style-type: none"> IFRS 14 Regulatory Deferral Accounts 	January 1, 2016
<ul style="list-style-type: none"> Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to Disclosure initiative 	January 1, 2016
<ul style="list-style-type: none"> Amendments to IFRS 11 <i>Joint arrangements</i> relating to accounting for acquisitions of interests in joint operations 	January 1, 2016
<ul style="list-style-type: none"> Amendments to IAS 16 <i>Property, Plant and Equipment</i> and IAS 38 <i>Intangible Assets</i> relating to clarification of acceptable methods of depreciation and amortization 	January 1, 2016
<ul style="list-style-type: none"> Amendments to IAS 27 <i>Separate Financial Statements</i> relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements 	January 1, 2016
<ul style="list-style-type: none"> Amendments to IFRS 10 <i>Consolidated Financial Statements</i>, IFRS 12 <i>Disclosure of Interests in Other Entities</i> and IAS 28 <i>Investment in Associates and Joint Ventures</i> relating to applying the consolidation exception for investment entities 	January 1, 2016
<ul style="list-style-type: none"> Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34 	January 1, 2016
<ul style="list-style-type: none"> IFRS 9 Financial Instruments (revised versions in 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments <p>A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:</p> <ul style="list-style-type: none"> Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39 	January 1, 2018

NEW AND REVISED IFRSs	Effective for Annual Periods Beginning on or After
<ul style="list-style-type: none"> • IFRS 7 <i>Financial Instruments</i>: Disclosures relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 	When IFRS 9 is first applied
<ul style="list-style-type: none"> • IFRS 15 <i>Revenue from Contracts with Customers</i> • In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 <i>Revenue</i>, IAS 11 <i>Construction Contracts</i> and the related interpretations when it becomes effective. <p>The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:</p> <ul style="list-style-type: none"> • Step 1: Identify the contract(s) with a customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. <p>Under IFRS 15, an entity recognizes when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.</p>	January 1, 2018
<ul style="list-style-type: none"> • Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures (2011)</i> relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture. 	Effective date deferred indefinitely
<ul style="list-style-type: none"> • IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. 	January 1, 2019

Except for IFRS 9, the Directors of the Group 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 Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value as set out in the accounting policies below.

Assets and liabilities are grouped according to their nature and are presented in an approximate order that reflects their relative liquidity.

The principal accounting policies applied are set out below:

A- Basis of Consolidation:

The consolidated financial statements of First National Bank S.A.L. incorporate the financial statements of the Bank and enterprises controlled by the Bank (Subsidiaries). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses 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 listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest represent the portion of profit or loss and net assets of subsidiaries not owned directly or indirectly by the Group. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The consolidated subsidiaries as at December 31, 2015 comprise:

Company Name	Country of Incorporation	Date of Incorporation/ Acquisition	Percentage of Ownership %	Business Activity
Capital Finance Company S.A.L.	Lebanon	January 8, 2010	100	Retail loans
Middle East Capital Group Limited (MECG Group)	Guernsey	December 8, 1995	98.92	Finance
Subsidiaries of MECG Group:				
Middle East Capital Group Holding S.A.L.	Lebanon	December 1, 1995	100	Holding company
Middle East Capital Group S.A.L.	Lebanon	August 3, 1996	100	Finance
Middle East Capital Group (Offshore) S.A.L.	Lebanon	July 22, 1996	100	Finance
Middle East Capital Asset Management Limited	Guernsey	March 19, 1999	100	Dormant company
MECG Development S.A.L.	Lebanon	July 28, 2005	99	Management company
Real Estate Management Company S.A.L.	Lebanon	May 24, 2004	100	Management company
Corporate Finance House Limited and subsidiaries	Guernsey	January 1, 2014	100	Investment banking
National Fixed Income Fund SPC	Cayman Island	January 15, 2015	-	Mutual Fund
First National Dollar Fund SPC	Cayman Island	October 1, 2015	-	Mutual Fund

During 2014, Corporate Finance House Limited was included in the scope of consolidation effective January 1, 2014 as a result of the acquisition of its entire shares by the Group.

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 other than those associated with the issue of debt or equity securities are generally recognized in profit or loss as incurred.

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.

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. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

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- Goodwill:

Goodwill arising on an acquisition of a business is carried at cost. Refer to Note 3B for the measurement of goodwill at initial recognition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable

amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

D- Foreign Currencies:

The consolidated financial statements are presented in Lebanese Pounds ("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 ("USD"). The exchange rate of the USD against the LBP has been constant since many years.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional 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, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, 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.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss.

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 rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

E- 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.

Upon derecognition of a financial asset that is classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

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.

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.

F- 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, less impairment loss (except for debt investments 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"). In addition, debt instruments that meet the amortized cost criteria but are designated as at FVTPL are measured at 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.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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 being the next reporting period.

Reclassification is not allowed where:

- the 'other comprehensive income' option has been exercised for a financial asset, or
- the fair value option has been exercised in any circumstance for a financial instrument.

G-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.

Financial Liabilities at fair value through profit or loss:

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 is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial

guarantee contract or a designated and effective hedging instrument.

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.

Financial liabilities at FVTPL are stated at fair value. Any gains or losses arising on remeasurement of held-for-trading financial liabilities are recognized in profit or loss. Such gains or losses that are recognized in profit or loss incorporate any interest paid on the financial liabilities and are included in the "Net interest and gain and loss on liabilities at FVTPL" in the consolidated statement of profit or loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss.

Financial Liabilities Subsequently Measured at Amortized Cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

Financial Guarantee Contract Liabilities:

Financial guarantee 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, credit-insurance contracts).

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as

determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and

- the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies set out above.

H- Offsetting:

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

I- 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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest

level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

J- 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 collaterals 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.

K- 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.

L- Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments, other than investment securities, that are not held for trading. Loans and advances are measured at amortized cost net of unearned interest and provision for credit losses where applicable. Bad and doubtful debts are carried on a cash basis because of doubts and the probability of non-collection of principal and/or interest.

M- Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a

joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

N- Property and Equipment:

Property and equipment are stated at historical cost, 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 advance payments on capital expenditures) less their residual values, if any, over their useful lives, using the straight-line method as follows:

	Rates %
Buildings	2
Office improvements and installations	15
Furniture, fixtures and equipment	8-25
Computer equipment	20
Vehicles	10

The estimated useful lives and depreciation method are

reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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.

O- Intangible Assets (Other than Goodwill):

Intangible assets are amortized on a straight-line basis over the period of 3 years. Intangible assets are subject to impairment testing.

P- Assets acquired in satisfaction of loans:

Real estate properties acquired through the enforcement of collateral over loans and advances, in accordance with the Central Bank of Lebanon basic circular 78 and the Banking Control Commission circulars 173 and 267, are initially recognized at their fair value as approved by Banking Control Commission and are subsequently measured at cost less any accumulated impairment losses. The acquisition of such assets is regulated by the local banking authorities that 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 reflected in equity.

Upon sale of repossessed assets, any gain or loss realized is recognized in the consolidated statement of profit or loss.

Q- Operating Lease Agreements:

Lease agreements which do not transfer substantially all the risks and benefits incidental to ownership of the leased items are classified as operating leases. Operating lease payments are recorded in the consolidated statement of income on a straight line basis over the lease term.

R- Impairment of Tangible and Intangible Assets (Other than Goodwill):

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

The fair value of the Group's owned properties and of properties acquired in satisfaction of loans debts, is the estimated market value as determined by real estate appraisers on the basis of market compatibility by comparing with similar transactions in the same geographical area and on the basis of the expected value of a current sale between a willing buyer and a willing seller, that is, other than in a forced or liquidation sale after adjustment of an illiquidity factor and market constraints.

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

The provision for employees' termination indemnities is based on the liability that would arise if the employment of all the employees' were voluntarily 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 sum of the last basic salary and the monthly average of the last 12 months' remunerations, less contributions paid to the Lebanese Social Security National Fund.

T- Provisions:

Provisions are 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.

U- Revenue and Expense Recognition:

Interest income and expense are recognized on an accrual basis, taking into account the amount 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 discount and premium amortization.

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability (e.g. commissions and fees earned on loans) are included under interest income and expense.

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

Interest income and expense presented in the consolidated 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, dividend income, realized and unrealized fair value changes and foreign exchange differences on financial assets at fair value through profit or loss are presented separately in the consolidated 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 are presented in other revenue, unless the dividend clearly represents a recovery of part of the investment, in which case it is presented in other comprehensive income.

V- 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.

W- Fiduciary Accounts:

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

X- Cash and Cash Equivalents:

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

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:

The determination of fair value for financial assets for which there is no observable market price requires the use of valuation techniques as described in Note 3I. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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 3C. The recoverable amount is determined based on the fair value of the cash generating unit less cost of disposal, assessed using the market approach (Refer to Note 18 for details).

5- CASH AND DEPOSITS WITH CENTRAL BANK OF LEBANON

This caption consists of the following:

	December 31	
	2015	2014
	LBP'000	
Cash on hand	31,734,311	29,246,419
Current accounts with Central Bank of Lebanon	179,817,325	138,521,882
Term placements with Central Bank of Lebanon	937,439,400	941,744,670
Accrued interest receivable	12,728,526	12,661,597
	1,161,719,562	1,122,174,568

Current accounts at Central Bank of Lebanon include non-interest earning cash compulsory reserves in Lebanese Pound in the amount of LBP127billion (LBP102billion as of December 31, 2014) computed on the basis of 25% and 15% of the weekly average of demand deposits and term deposits in Lebanese Pound respectively, in accordance with local banking regulations. This compulsory reserve is not available for use in the daily banking activities.

Term placements with Central Bank of Lebanon include the equivalent in foreign currencies of LBP507billion (LBP512billion in 2014 deposited 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 loans acquired from non-resident financial institutions with remaining maturity of less than one year.

Term placements with Central Bank of Lebanon bear the following maturities:

Maturity	December 31, 2015			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2016	3,015,000	-	73,867,500	1.22
2017	-	-	327,010,500	1.51
2018	-	-	67,837,500	1.19
2019	-	-	52,762,500	1.62
2020	-	-	28,642,500	1.59
2021	75,000,000	8.60	-	-
2022	200,000,000	8.51	-	-
2023	25,000,000	8.24	-	-
2024	-	-	84,303,900	7.27
	303,015,000		634,424,400	

Maturity	December 31, 2014			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2015	-	-	71,303,220	0.54
2016	-	-	60,300,000	1.14
2017	-	-	341,052,750	1.43
2018	-	-	30,150,000	1.14
2019	-	-	52,762,500	1.40
2021	75,000,000	8.60	-	-
2022	200,000,000	8.51	-	-
2023	25,000,000	8.24	-	-
2024	-	-	86,176,200	7.27
	300,000,000		641,744,670	

6- DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

This caption consists of the following:

	December 31,	
	2015	2014
	LBP'000	
Checks in course of collection	4,707,254	5,675,216
Current accounts with banks and financial institutions	177,297,463	249,747,611
Term placements with banks and financial institutions	299,452,191	310,846,682
Cash margin against facilities	17,454,328	23,581,475
Accrued interest receivable	1,663,866	917,158
	500,575,102	590,768,142

Cash margin against facilities represents cash margin against trade finance and foreign exchange transactions with non-resident banks.

Term placements bear the following maturities:

Maturity	December 31, 2015			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2016	11,399,729	6.64	260,992,837	1.92
2017	-	-	27,059,625	3.46
	11,399,729		288,052,462	

Maturity	December 31, 2014			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2015	23,030,220	7.42	238,144,336	1.75
2016	-	-	49,672,126	3.97
	23,030,220		287,816,462	

Term placements with banks and financial institutions outstanding as at December 31, 2014 include an amount of LBP23billion placed against money market deposits

under "Deposits and borrowings from banks and financial institutions" (Note 19). This amount matured during the first half of January 2015.

7- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This caption consists of the following:

	December 31,	
	2015	2014
	LBP'000	
Quoted equity securities	8,678,940	9,699,851
Unquoted equity securities	25,129,676	21,995,824
Lebanese government bonds	59,756,008	39,368,711
Lebanese treasury bills	213,419,787	131,270,946
Certificates of deposit issued by the Central Bank of Lebanon	411,584,947	248,543,990
Corporate bonds	3,015,000	-
	721,584,358	450,879,322
Accrued interest receivable	13,199,190	8,565,072
	734,783,548	459,444,394

The change in fair value gain of the financial assets at fair value through profit or loss amounted to LBP10.6billion in 2015 (LBP9.5billion in 2014) and is reflected in the

consolidated statement of profit or loss under "Net interest and gain or loss on trading assets at fair value through profit or loss" (Note 32).

8- LOANS TO BANKS AND FINANCIAL INSTITUTIONS

Loans to banks are reflected at amortized cost and consist of the following:

	December 31,	
	2015	2014
	LBP'000	
Loans to banks	4,865,000	9,937,500
Discounted documentary letters of credit	1,903,131	7,474,688
Accrued interest receivable	165,808	26,753
Loans under reverse repurchase agreement	22,679,081	-
	29,613,020	17,438,941

Loans under reverse repurchase agreement represent short-term loans granted to a resident financial institution during 2015 covered

by certificates of deposit issued from the Central Bank of Lebanon in the amount of USD16.5million (equivalent to LBP24.8billion).

Loans to banks and loans under reverse repurchase agreement mature as follows:

Maturity	December 31, 2015			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2016	-	-	25,694,081	2.64
2019	600,000	4.35	-	-
2020	1,250,000	4.35	-	-
	1,850,000		25,694,081	

Maturity	December 31, 2014			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2015	-	-	7,537,500	1.08
2016	150,000	4.35	-	-
2019	2,250,000	4.35	-	-
	2,400,000		7,537,500	

9- LOANS AND ADVANCES TO CUSTOMERS

This caption consists of the following:

	December 31,	
	2015	2014
LBP'000		
Loans and advances to customers	1,309,594,335	1,328,449,751
Loans and advances to related parties	78,340,813	24,804,468
Bills discounted (net)	4,942,922	1,546,368
Creditors accidentally debtors	5,277,952	2,692,909
Substandard loans (net of unearned interest)	25,208,301	23,257,299
Bad and doubtful debts (net of unearned interest)	44,466,898	32,929,045
Less: Allowance for impairment of doubtful loans	(32,008,403)	(26,122,586)
Allowance for impairment of individually assessed performing retail loans	(1,906,893)	(2,109,305)
Allowance for impairment of collectively assessed loans	(10,139,234)	(12,325,878)
	1,423,776,691	1,373,122,071
Less: Pledged guarantee funds to cover shortage in provision	(416,384)	(416,384)
	1,423,360,307	1,372,705,687

Loans and advances to customers are reflected at amortized cost and consist of the following:

	December 31, 2015			
	Loan Balance net of Deferred Interest	Unearned Interest	Impairment Allowance	Carrying Value
LBP'000				
Corporate customers:				
Commercial loans	354,508,186	-	-	354,508,186
Overdrafts	394,949,133	-	-	394,949,133
Other corporate loans	95,378,394	-	-	95,378,394
Retail customers:				
Car loans	95,464,618	-	-	95,464,618
Credit cards	16,560,847	-	-	16,560,847
Housing loans	233,659,258	-	-	233,659,258
Overdrafts	81,319,451	-	-	81,319,451
Personal loans and other	122,255,504	-	-	122,255,504
Substandard loans	29,122,476	(3,914,175)	-	25,208,301
Doubtful loans	126,974,817	(82,507,920)	(32,008,403)	12,458,494
Less: Allowance for individually assessed performing retail loans	-	-	(1,906,893)	(1,906,893)
Allowance for collectively assessed loans	-	-	(10,139,234)	(10,139,234)
	1,550,192,684	(86,422,095)	(44,054,530)	1,419,716,059
Accrued interest receivable	4,060,632	-	-	4,060,632
	1,554,253,316	(86,422,095)	(44,054,530)	1,423,776,691

December 31, 2014				
	Loan Balance net of Deferred Interest	Unearned Interest	Impairment Allowance	Carrying Value
LBP'000				
Corporate customers:				
Commercial loans	346,645,692	-	-	346,645,692
Overdrafts	393,542,368	-	-	393,542,368
Other corporate loans	75,167,469	-	-	75,167,469
Retail customers:				
Car loans	82,593,826	-	-	82,593,826
Credit cards	18,530,116	-	-	18,530,116
Housing loans	229,420,363	-	-	229,420,363
Overdrafts	64,794,818	-	-	64,794,818
Personal loans and other	142,356,543	-	-	142,356,543
Substandard loans	25,768,353	(2,511,054)	-	23,257,299
Doubtful loans	104,940,863	(72,011,818)	(26,122,586)	6,806,459
Less: Allowance for individually assessed performing retail loans	-	-	(2,109,305)	(2,109,305)
Less: Provisions for collectively assessed loans	-	-	(12,325,878)	(12,325,878)
	1,483,760,411	(74,522,872)	(40,557,769)	1,368,679,770
Accrued interest receivable	4,442,301	-	-	4,442,301
	1,488,202,712	(74,522,872)	(40,557,769)	1,373,122,071

The movement of unearned interest during 2015 and 2014 is summarized as follows:

	2015	
	Substandard Loans	Doubtful Loans
LBP'000		
Balance, January 1	2,511,054	72,011,818
Additions	2,168,550	12,670,102
Settlements/recoveries	(765,429)	(2,165,574)
Transfer to off-balance-sheet	-	(5,174)
Difference in exchange	-	(3,252)
Balance, December 31	3,914,175	82,507,920

	2014	
	Substandard Loans	Doubtful Loans
LBP'000		
Balance, January 1	2,914,198	62,453,800
Additions	1,150,992	10,294,380
Settlements/recoveries	(1,021,985)	(733,002)
Transfer to off-balance sheet	(532,151)	-
Difference in exchange	-	(3,360)
Balance, December 31	2,511,054	72,011,818

The movement of the allowances for impairment of individually assessed performing retail loans and doubtful debts is summarized as follows:

	2015	2014
LBP'000		
Balance, January 1	28,231,891	19,226,539
Additions	915,096	10,606,950
Transfer from allowance for impairment of collectively assessed loans	5,312,513	-
Recoveries	(485,396)	(1,083,332)
Write offs	-	(501,244)
Transfer to off-balance sheet	(51,696)	(16,923)
Other adjustments	(7,112)	-
Balance, December 31	33,915,296	28,231,990

The movement of allowance for impairment of collectively assessed loans is summaries as follows:

	2015	2014
LBP'000		
Balance, January 1	12,325,878	11,531,599
Additions	3,125,869	1,311,525
Transfer to allowance of individually assessed loans	(5,312,513)	-
Recoveries	-	(512,777)
Effect of exchange rates fluctuations	-	(4,469)
Balance December 31	10,139,234	12,325,878

Pledged guarantee funds were deposited by the shareholders of the Bank in order to cover any shortfall in the amount of provisions set up for certain classified loans and advances to customers. Major part of the provision was settled/utilized during the year 2014. The movement of pledged guarantee fund during 2015 and 2014 is summarized as follows:

	2015	2014
LBP'000		
Balance, January 1	416,384	3,880,555
Interest charged to income	-	61,856
Settlements/utilizations	-	(3,526,027)
Balance, December 31	416,384	416,384

10- DUE FROM RELATED PARTIES

This caption consists of the following:

	2015	2014
LBP'000		
Associate:		
Park View Realty S.A.L. (under liquidation)	-	5,353
Related parties:		
Middle East Real Estate Opportunities Fund (MERO I) LP	198,060	113,011
Middle East Real Estate Opportunities Fund (MERO II) LP	494,119	289,660
Philadelphia Investment Group	1,945,506	1,449,421
Gustav Immobilien 1 Limited	353,314	386,648
FK Realization Limited	1,331,144	1,003,464
Trio 1 Limited	137,754	-
Inkchip	134,953	70,874
Others	150,829	152,155
	4,745,679	3,470,586

11- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income outstanding at December 31, 2015 and 2014 consist of the following:

	Incorporated in	December 31, 2015		
		F/Cy Base Account		Cumulative Change in Fair Value
		Cost	Fair Value	
LBP'000				
Capital Plaza Holding S.A.L.	Lebanon	496,362	496,362	-
Middle East Real Estate Opportunities Fund (MERO I) LP	British Virgin Island	823,868	823,868	-
Middle East Real Estate Opportunities Fund II (MERO II) LP	British Virgin Island	998,410	998,410	-
Philadelphia Investment Group Ltd.	British Virgin Island	1,813,990	1,813,990	-
Inkchip Holding S.A.L.	Lebanon	845,854	845,854	-
Gustav Immobilien I Limited (BVI)	British Virgin Island	2,075,375	2,075,375	-
Trio 1 Limited	British Virgin Island	2,218,286	2,218,286	-
Syria Gulf Bank S.A.	Syria	6,246,051	1,464,974	(4,781,077)
Others		90,648	90,648	-
		15,608,844	10,827,767	(4,781,077)
Deferred tax (Note 14)		-	-	717,161
		15,608,844	10,827,767	(4,063,916)

	December 31, 2014			
	Incorporated in	F/Cy Base Account		Cumulative Change in Fair Value
		Cost	Fair Value	
LBP'000				
Capital Plaza Holding S.A.L.	Lebanon	496,362	496,362	-
Middle East Real Estate Opportunities Fund (MERO I) LP	British Virgin Island	823,868	823,868	-
Middle East Real Estate Opportunities Fund II (MERO II) LP	British Virgin Island	998,410	998,410	-
Philadelphia Investment Group Ltd.	British Virgin Island	1,813,990	1,813,990	-
Inkchip Holding S.A.L.	Lebanon	845,854	845,854	-
Gustav Immobilien I Limited (BVI)	Germany	2,075,375	2,075,375	-
Syria Gulf Bank S.A.	Syria	6,246,051	2,415,724	(3,830,327)
		13,299,910	9,469,583	(3,830,327)
Deferred tax (Note 14)		-	-	574,548
		13,299,910	9,469,583	(3,255,779)

12- FINANCIAL ASSETS AT AMORTIZED COST

Financial assets at amortized cost outstanding at December 31, 2015 and 2014 consist of the following:

	December 31, 2015				
	LBP		F/Cy		Total Amortized Cost
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	
LBP'000					
Lebanese treasury bills	550,396,525	563,729,701	-	-	550,396,525
Lebanese government bonds	-	-	867,702,427	870,311,670	867,702,427
Certificates of deposit issued by the Central Bank of Lebanon	425,026,222	441,980,811	243,776,714	245,378,670	668,802,936
Corporate bonds	-	-	19,624,780	19,930,447	19,624,780
Certificates of deposit issued by local banks	-	-	9,025,902	8,999,775	9,025,902
	975,422,747	1,005,710,512	1,140,129,823	1,144,620,562	2,115,552,570
Accrued interest receivable	16,380,957	16,380,957	16,792,109	16,792,109	33,173,066
	991,803,704	1,022,091,469	1,156,921,932	1,161,412,671	2,148,725,636

	December 31, 2014				
	LBP		F/Cy		Total Amortized Cost
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	
	LBP'000				
Lebanese treasury bills	588,470,053	597,218,123	-	-	588,470,053
Lebanese government bonds	-	-	786,888,833	815,573,917	786,888,833
Certificates of deposit issued by the Central Bank of Lebanon	325,768,744	333,217,004	401,332,297	410,553,907	727,101,041
Corporate bonds	-	-	18,914,493	19,406,325	18,914,493
Certificates of deposit issued by local banks	-	-	9,016,139	9,045,000	9,016,139
	914,238,797	930,435,127	1,216,151,762	1,254,579,149	2,130,390,559
Accrued interest receivable	17,075,090	17,075,090	17,329,241	17,329,241	34,404,331
	931,313,887	947,510,217	1,233,481,003	1,271,908,390	2,164,794,890

Financial assets at amortized cost are segregated over their remaining periods to maturity as follows:

	December 31, 2015		
	LBP		
	Nominal Value	Amortized Cost	Fair Value
	LBP '000		
REMAINING PERIOD TO MATURITY			
Lebanese treasury bills:			
- Up to 1 year	2,745,000	2,744,999	2,748,360
- 1 year to 3 years	360,428,747	361,799,046	369,994,503
- 3 years to 5 years	52,510,275	52,605,333	54,701,241
- 5 years to 10 years	130,078,090	133,247,147	136,285,597
- More than 10 years	-	-	-
	545,762,112	550,396,525	563,729,701
Lebanese Government bonds:			
- Up to 1 year	-	-	-
- 1 year to 3 years	-	-	-
- 3 years to 5 years	-	-	-
- 5 years to 10 years	-	-	-
- More than 10 years	-	-	-
	-	-	-
Certificates of deposit issued by the Central Bank of Lebanon:			
- Up to 1 year	42,000,000	42,513,694	43,233,121
- 1 year to 3 years	4,000,000	4,053,611	4,112,662
- 3 years to 5 years	15,000,000	14,959,991	15,516,914
- 5 years to 10 years	169,000,000	170,966,471	178,896,640
- More than 10 years	190,000,000	192,532,455	200,221,474
	420,000,000	425,026,222	441,980,811
Corporate bonds:			
- Up to 1 year	-	-	-
- 1 year to 3 years	-	-	-
- 3 years to 5 years	-	-	-
- 5 years to 10 years	-	-	-
- More than 10 years	-	-	-
	-	-	-
Certificates of deposit issued by local banks:			
- 1 year to 3 years	-	-	-
	965,762,112	975,422,747	1,005,710,512

December 31, 2015			
Foreign Currency (C/V LBP)			Total Amortized Cost
Nominal Value	Amortized Cost	Fair Value	
LBP '000			
-	-	-	2,744,999
-	-	-	361,799,046
-	-	-	52,605,333
-	-	-	133,247,147
-	-	-	-
-	-	-	550,396,525
102,069,810	103,227,193	103,980,868	103,227,193
237,432,015	230,700,165	234,195,813	230,700,165
126,074,358	111,446,897	110,642,172	111,446,897
227,495,318	234,258,375	235,457,851	234,258,375
206,554,635	188,069,797	186,034,966	188,069,797
899,626,136	867,702,427	870,311,670	867,702,427
-	-	-	42,513,694
-	-	-	4,053,611
45,225,000	45,325,257	46,043,573	60,285,248
182,859,750	183,376,457	184,243,514	354,342,928
15,075,000	15,075,000	15,091,583	207,607,455
243,159,750	243,776,714	245,378,670	668,802,936
7,537,500	7,533,991	7,576,846	7,533,991
1,658,250	1,658,250	1,658,250	1,658,250
3,467,250	3,648,789	3,911,601	3,648,789
5,276,250	5,276,250	5,276,250	5,276,250
1,507,500	1,507,500	1,507,500	1,507,500
19,446,750	19,624,780	19,930,447	19,624,780
9,045,000	9,025,902	8,999,775	9,025,902
1,171,277,636	1,140,129,823	1,144,620,562	2,115,552,570

	December 31, 2014		
	LBP		
	Nominal Value	Amortized Cost	Fair Value
	LBP '000		
REMAINING PERIOD TO MATURITY			
Lebanese treasury bills:			
-Up to 1 year	59,300,000	59,540,750	59,300,000
-1 year to 3 years	203,131,457	203,588,607	207,319,097
-3 years to 5 years	161,052,565	162,421,771	166,598,655
-5 years to 10 years	153,286,790	156,306,520	157,153,540
-More than 10 years	6,591,300	6,612,405	6,846,831
	583,362,112	588,470,053	597,218,123
Lebanese Government bonds:			
-Up to 1 year	-	-	-
-1 year to 3 years	-	-	-
-3 years to 5 years	-	-	-
-5 years to 10 years	-	-	-
-More than 10 years	-	-	-
	-	-	-
Certificates of deposit issued by the Central Bank of Lebanon:			
-Up to 1 year	-	-	-
-1 year to 3 years	46,000,000	47,144,506	48,217,200
-5 years to 10 years	181,000,000	182,979,945	187,204,815
-More than 10 years	95,000,000	95,644,293	97,794,989
	322,000,000	325,768,744	333,217,004
Corporate bonds:			
-Up to 1 year	-	-	-
-1 year to 3 years	-	-	-
-3 years to 5 years	-	-	-
-5 years to 10 years	-	-	-
-More than 10 years	-	-	-
	-	-	-
Certificates of deposit issued by local banks:			
-1 year to 3 years	-	-	-
	905,362,112	914,238,797	930,435,127

December 31, 2014			
Foreign Currency (C/V LBP)			Total Amortized Cost
Nominal Value	Amortized Cost	Fair Value	
LBP '000			
-	-	-	59,540,750
-	-	-	203,588,607
-	-	-	162,421,771
-	-	-	156,306,520
-	-	-	6,612,405
-	-	-	588,470,053
23,754,990	24,125,984	24,320,167	24,125,984
214,522,428	223,728,590	232,627,428	223,728,590
230,476,549	227,062,185	233,385,093	227,062,185
241,879,883	251,164,143	262,455,844	251,164,143
60,874,358	60,807,931	62,785,385	60,807,931
771,508,208	786,888,833	815,573,917	786,888,833
194,045,400	197,115,673	197,926,308	197,115,673
-	-	-	47,144,506
203,512,500	204,216,624	212,627,599	387,196,569
-	-	-	95,644,293
397,557,900	401,332,297	410,553,907	727,101,041
4,800	4,800	4,800	4,800
10,552,500	10,540,925	10,688,175	10,540,925
4,673,250	4,901,518	5,246,100	4,901,518
1,959,750	1,959,750	1,959,750	1,959,750
1,507,500	1,507,500	1,507,500	1,507,500
18,697,800	18,914,493	19,406,325	18,914,493
9,045,000	9,016,139	9,045,000	9,016,139
1,196,808,908	1,216,151,762	1,254,579,149	2,130,390,559

The movement of financial assets at amortized cost is as follows:

	December 31, 2015		
	LBP	F/Cy	Total
	LBP'000		
Balance at January 1, 2015	914,238,797	1,216,151,762	2,130,390,559
Additions	122,532,356	221,029,475	343,561,831
Redemptions	(59,300,000)	(90,689,775)	(149,989,775)
Amortization of premiums and discounts	(2,048,406)	(8,772,317)	(10,820,723)
Swaps (Net of premiums and discounts)	-	(33,999,933)	(33,999,933)
Sales (Net of premiums and discounts)	-	(159,878,954)	(159,878,954)
Difference in exchange	-	(3,710,435)	(3,710,435)
Balance at December 31, 2015	975,422,747	1,140,129,823	2,115,552,570

	December 31, 2014		
	LBP	F/Cy	Total
	LBP'000		
Balance at January 1, 2014	825,143,246	1,185,524,629	2,010,667,875
Additions	317,093,578	238,094,299	555,187,877
Redemptions	(100,000,000)	(81,221,956)	(181,221,956)
Amortization of premiums and discounts	(2,368,610)	(15,286,319)	(17,654,929)
Swaps (Net of premiums and discounts)	(77,583,330)	(22,637,962)	(100,221,292)
Sales (Net of premiums and discounts)	(48,046,087)	(84,870,204)	(132,916,291)
Difference in exchange	-	(3,450,725)	(3,450,725)
Balance at December 31, 2014	914,238,797	1,216,151,762	2,130,390,559

As of December 31, 2015, the Group had Lebanese government bonds in the amount of LBP86billion (USD57million) (USD109million in 2014 and corporate bonds issued by a non-resident bank in the amount of USD4million) classified as financial assets at amortized cost and pledged against repurchase agreements with a non-resident bank (Note 19).

As of December 31, 2015 and 2014, the Group had Lebanese treasury bills in the amount of LBP2.7billion pledged against a soft loan granted by the Central Bank of Lebanon (Note 19).

During 2014, the Group exercised the put option on the certificates of deposit issued by the Central Bank of Lebanon with a nominal value of USD22.26million which resulted in a gain of LBP1.38billion recognized under "Other operating income" (net) in the consolidated statement of profit or loss (Note 33).

During 2015, the Group sold investment securities classified at amortized cost near maturity in the amount of LBP160billion

which resulted in a gain in the amount of LBP292million recognized under "Other operating income" (net) in the consolidated statement of profit or loss (Note 33).

During 2015, the Group exchanged certificates of deposit and Lebanese Government bonds in the amount of LBP1.4billion maturing in 2015 against certificates of deposit and Lebanese Government bonds with longer maturities and classified at fair value through profit or loss. This operation resulted in a net gain of LBP38million recognized under "Other operating income" in the consolidated statements of profit or loss (net) (Note 33).

During 2015, the Group exchanged Lebanese treasury bills issued by the Central Bank of Lebanon in the amount of LBP22.6billion maturing in 2016 against certificates of deposit issued by the Central Bank of Lebanon with longer maturities, and classified at amortized cost, which resulted in a gain in the amount of LBP175million that was recognized in "Other operating income, net" in the consolidated statement of profit or loss (Note 33).

During 2014, the Group sold investment securities classified at amortized cost in the amount of LBP99.35billion which resulted in a gain in the amount of LBP5.33billion recognized under "Other operating income" (net) in the consolidated statement of profit or loss (Note 33).

During 2014, the Group sold and repurchased certificates of deposit issued by The Central Bank of Lebanon classified at amortized cost in the amount of LBP15billion maturing in 2020 which resulted in a discount of LBP475million, added to the nominal value of the repurchased securities and which will be amortized over maturity.

During 2014, the Group exchanged certificates of deposit and Lebanese Government Bonds in the amount of

LBP100.22billion maturing in 2014, 2016 and 2017 against certificates of deposit and Lebanese Government bonds for the aggregate amount of LBP98.49billion with longer maturities. This operation resulted in a net gain of LBP1 million (Note 33).

13- 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 statement of financial position for the same amount.

14- OTHER ASSETS

This caption consists of the following:

	December 31,	
	2015	2014
	LBP'000	
Prepaid expenses	5,443,484	5,951,680
Deferred charges	745,101	835,299
Refundable guarantee deposits	171,801	169,201
Stamps	80,369	62,585
Change in fair value of forward exchange contracts	707,009	210,866
Deferred tax assets (Note 11)	717,161	574,548
Intangible assets (a)	411,455	496,562
Receivables from financial services contracts (c)	3,496,809	1,874,337
Due from Social Security Fund	4,544,958	3,863,976
Other debit balances (b)	14,739,248	13,624,465
Regulatory blocked fund (d)	1,500,000	1,500,000
Provision for doubtful receivables	(667,110)	(667,110)
	31,890,285	28,496,409

(a) The movement of intangible assets during 2015 and 2014 was as follows:

	LBP'000
Cost:	
Balance, January 1, 2014	2,170,915
Additions	157,573
Balance, December 31, 2014	2,328,488
Additions	124,660
Balance, December 31, 2015	2,453,148
Accumulated Amortization:	
Balance, January 1, 2014	(1,611,362)
Additions (Note 34)	(220,564)
Balance at December 31, 2014	(1,831,926)
Additions (Note 34)	(209,767)
Balance at December 31, 2015	(2,041,693)
Net Carrying Value:	
December 31, 2015	411,455
December 31, 2014	496,562

(b) Other debit balances include an amount of LBP10billion (USD6.5million) as at December 31, 2015 and 2014 representing the value of a check issued to participate in an auction on plot number 5298 in Mazraa - Beirut for the opening of a new branch and offices for the subsidiary Capital Finance Company S.A.L. in that area. The Group is still in the process of acquiring and registering the complete shares of this plot.

(c) Receivables from financial services contracts as at

December 31, 2015 and 2014 represent an amount due on services rendered by the subsidiary Corporate Finance House Limited.

(d) Regulatory blocked fund represents a non-interest earning compulsory deposit placed with the Lebanese Treasury upon establishment of "First National Bank S.A.L.". This deposit is refundable in case of cease of operations, according to article 132 of the Money and Credit Law.

15- INVESTMENT IN AND LOAN TO AN ASSOCIATE

This caption represents a 12.77% equity stake in Park View Realty Company S.A.L., currently under liquidation, as at December 31, 2015 and 2014:

	December 31,	
	2015	2014
	LBP'000	
Value of the investment	228,094	228,094
Loan	13,118	13,118
	241,212	241,212

The investment in Park View Realty S.A.L. is classified as an investment in an associate since the Group is represented on

the investee's Board of Directors and significant influence is demonstrated in 2015 and 2014.

16- ASSETS ACQUIRED IN SATISFACTION OF LOANS

Assets acquired in satisfaction of loans represent real estate properties and vehicles that have been acquired through enforcement of security over loans and advances to customers.

The movement of assets acquired in satisfaction of loans during 2015 and 2014 was as follows:

	2015	2014
	LBP'000	
Balance, January 1	3,014,977	2,489,951
Additions	2,705,256	1,372,425
Disposals	(1,359,585)	(816,588)
Reversals	(258,243)	(30,811)
Balance, December 31	4,102,405	3,014,977

The acquisition of assets in settlement of loans is regulated by 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 after deduction of legal reserves and reserves for general banking risk over a period of 5 years and accumulated under equity. This reserve was reduced to 5% when certain conditions linked to the restructuring of non performing

loan's portfolio were met as per local banking regulations. During 2014 and 2015, the Group appropriated a reserve of LBP7.7million from 2013 and 2014 profits.

During 2015, the Group sold assets acquired in satisfaction of loans for an aggregate consideration of LBP980million (LBP786million in 2014) resulting in a net loss of LBP379million (loss of LBP295million in 2014) (Note 33).

17- PROPERTY AND EQUIPMENT

The movement of property and equipment during 2015 and 2014 was as follows:

	Land	Buildings	Furniture, Office and Computer Equipment
LBP'000			
Cost:			
Balance, January 1, 2014	19,420,729	13,162,244	29,078,426
Additions and transfers	6,163,481	11,007,560	2,787,165
Additions from acquisition of a subsidiary	-	-	111,193
Disposals	-	-	(2,098,244)
Balance, December 31, 2014	25,584,210	24,169,804	29,878,540
Additions and transfers	753,750	-	3,172,977
Disposals	-	-	(641,824)
Balance, December 31, 2015	26,337,960	24,169,804	32,409,693
Accumulated Depreciation:			
Balance, January 1, 2014	-	(3,595,201)	(18,254,236)
Depreciation expense (Note 34)	-	(428,915)	(2,445,959)
Depreciation expense (additions from acquired subsidiary)	-	-	(43,212)
Eliminated on disposals	-	-	1,893,010
Balance, December 31, 2014	-	(4,024,116)	(18,850,397)
Depreciation expense (Note 34)	-	(530,487)	(2,515,528)
Eliminated on disposals	-	-	465,224
Balance, December 31, 2015	-	(4,554,603)	(20,900,701)
Net Carrying Value:			
December 31, 2015	26,337,960	19,615,201	11,508,992
December 31, 2014	25,584,210	20,145,688	11,028,143

Vehicles	Improvements and Installations	Advance Payment	Total
LBP'000			
618,213	13,936,437	18,009,506	94,225,555
439,278	639,597	(4,403,118)	16,633,963
2,525	65,783	-	179,501
(235,678)	(4,195)	-	(2,338,117)
824,338	14,637,622	13,606,388	108,700,902
3,480	4,877,778	7,576,998	16,384,983
-	-	-	(641,824)
827,818	19,515,400	21,183,386	124,444,061
(324,102)	(6,909,984)	-	(29,083,523)
(70,858)	(771,041)	-	(3,716,773)
(737)	(34,579)	-	(78,528)
151,853	4,195	-	2,049,058
(243,844)	(7,711,409)	-	(30,829,766)
(75,103)	(903,713)	-	(4,024,831)
-	-	-	465,224
(318,947)	(8,615,122)	-	(34,389,373)
508,871	10,900,278	21,183,386	90,054,688
580,494	6,926,213	13,606,388	77,871,136

Additions to buildings in 2014 represent transfers from advance payment representing the acquisition of the plot number 2059 in Verdun - Beirut in the amount of LBP5.9billion and the acquisition of three branches in Halba, Saida and

Haret Hreik in the aggregate amount of LBP5.1billion.

Advance payment represents the cost of the renovation and construction of the Bank branches and new headquarters.

The movement of these payments on the account during the years 2015 and 2014 are as follows:

	Hazmieh Branch	Verdun Branch	Jal El Dib Branch	Mathaf New Head Office	Sin-EI-Fil Branch	Sour Branch	Other Branches	Total
LBP'000								
Balance, January 1, 2014	2,571,500	5,967,679	1,307,015	816,718	-	-	7,346,594	18,009,506
Additions	48,510	805,599	1,667,352	3,379,055	41,663	-	3,009,429	8,951,608
Transfers	(5,397)	(5,986,276)	(18,257)	(406,037)	-	-	(6,938,759)	(13,354,726)
Balance, December 31, 2014	2,614,613	787,002	2,956,110	3,789,736	41,663	-	3,417,264	13,606,388
Additions	1,932,161	624,596	798,161	3,687,856	1,303,139	1,392,274	4,303,984	14,042,171
Transfers	(3,013)	(1,396,125)	(1,066,017)	(45,973)	-	(37,875)	(3,916,170)	(6,465,173)
Balance, December 31, 2015	4,543,761	15,473	2,688,254	7,431,619	1,344,802	1,354,399	3,805,078	21,183,386

18- GOODWILL

This caption consists of the following:

	December 31,	
	2015	2014
LBP'000		
Goodwill on acquisition of Société Bancaire du Liban ("SBL") in 2002	2,400,000	2,400,000
Goodwill on acquisition of Capital Finance Company S.A.L. in 2009	17,979,656	17,979,656
Goodwill on acquisition of Corporate Finance House Limited in 2014 (a)	6,626,412	6,626,412
	27,006,068	27,006,068

(a) Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share in the identifiable assets, liability and contingent liabilities of the fully acquired

subsidiary "Corporate Finance House Limited Group" during 2014 as summarized below:

	LBP'000
Fair value of net asset acquired	11,418,363
Less: Consideration - Fair value of equity security issued by the Bank	(18,044,975)
Goodwill	6,626,612

The recoverable amounts of the assets acquired in the business combination described above (Cash-generating units) are

determined based on the fair value less cost of disposal, which are higher than the assets carrying value using the market approach.

19- DEPOSITS AND BORROWINGS FROM BANKS AND FINANCIAL INSTITUTIONS

Deposits and borrowings from banks and financial institutions are reflected at amortized cost and consist of the following:

	December 31,	
	2015	2014
LBP'000		
Current deposits of banks and financial institutions	56,415,244	55,321,510
Money market deposits - A	392,393,207	300,810,002
Short term borrowings - B	5,085,008	4,919,385
Borrowings under sale and repurchase agreements - C	45,225,000	90,450,000
Other borrowings - D	18,701,422	14,782,452
Accrued interest payable	1,352,035	1,829,264
	519,171,916	468,112,613

A- The maturities of money market deposits are as follows:

Maturity	December 31, 2015			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2016	144,753,516	4.49	247,639,691	1.21

Maturity	December 31, 2014			
	LBP Base Accounts		F/Cy Base Accounts	
	Amount	Average Interest Rate	Amount	Average Interest Rate
	LBP'000	%	LBP'000	%
2015	118,923,826	4.64	181,886,176	1.44

B- Short term borrowings are denominated in foreign currencies, carry interest at the rate of 4.25% per annum and mature within one year.

C- Borrowings under sale and repurchase agreements consist of the following:

Maturity	December 31, 2015	
	F/Cy Base Accounts	
	Amount	Average Interest Rate
	LBP'000	%
2017	45,225,000	The lower between semi-annual USD LIBOR+2.50% or 4.75%

Maturity	December 31, 2014	
	F/Cy Base Accounts	
	Amount	Average Interest Rate
	LBP'000	%
2015	45,225,000	Semi-Annual USD LIBOR+2.40%
2017	45,225,000	The lower between semi-annual USD LIBOR+2.50% or 4.75%
	90,450,000	

Sale and repurchase agreements consist of repurchase agreement contracts with a non-resident bank in the amount of LBP45.23billion (C/V USD30million) (USD60million in 2014) against pledged Lebanese government bonds with a nominal value of USD57million (C/V LBP86billion) (USD109million in 2014) and corporate bonds issued by

foreign banks with a nominal value of USD4million (C/V LBP6billion) classified under "Financial assets at amortized cost" (Note 12), and Lebanese government bonds with a nominal value of USD289thousands (C/V LBP436million) classified under "Financial assets at fair value through profit or loss" (Note 7).

D. Other borrowings consist of the following:

	December 31,	
	2015	2014
LBP'000		
Loan from the European Investment Bank (i)	518,153	611,884
Soft loan from the Central Bank of Lebanon (ii)	2,745,000	2,745,000
Central Bank of Lebanon - incentive loans (iii)	15,438,269	11,425,568
	18,701,422	14,782,452

(i) Borrowings from the European Investment Bank are managed by the Central Bank of Lebanon and financed by the European Investment Bank upon the agreement signed between the Lebanese Republic and the European Investment Bank on December 14, 1999. The purpose of these loans is to finance projects in the industrial sector. These borrowings mature during 2020.

(ii) During 2011, the Central Bank of Lebanon ("BDL") granted the Group a soft loan in the amount of LBP2.7billion in accordance with Decision number 6116 dated March 7, 1996 subject to an annual interest rate of 2.2%. The loan proceeds are invested in Lebanese treasury bills for the same amount classified at amortized cost and maturing in January 2016. The treasury bills are pledged in favor of BDL

until full repayment of the loan. The present value of the net investment proceeds were used to finance the write-off of a debtor's exposure under credit facilities used to refinance the construction of property and acquisition of equipment damaged during the July 2006 war.

(iii) The Central Bank of Lebanon granted the Group facilities in the amount of LBP15.4billion as at December 31, 2015 (LBP11.4billion as at December 31, 2014) in accordance with Basic Decision No. 6116 of March 7, 1996 and its amendment in basic circular 313. The loan proceeds were lent to the Group's customers, pursuant to certain conditions, rules and mechanism. These facilities are subject to an annual interest rate of 1% paid on a monthly basis. These facilities mature as follows:

	December 31,	
	2015	2014
LBP'000		
5 to 10 years	2,923,448	2,424,315
10 to 20 years	5,230,788	4,135,824
More than 20 years	7,284,033	4,865,429
	15,438,269	11,425,568

20- CUSTOMERS' DEPOSITS AND CREDIT ACCOUNTS

Customers' deposits and credit accounts are stated at amortized cost and are detailed as follows:

	December 31,	
	2015	2014
	LBP'000	
Current and demand deposits	370,679,876	448,944,283
Term deposits	769,804,641	690,174,185
Saving accounts	3,160,695,149	2,887,156,320
Related party deposits	127,176,524	144,225,986
Collateral against loans and advances - Related parties	70,494,101	131,761
Collateral against loans and advances - Customers	268,113,981	349,764,822
Fiduciary accounts	141,247,746	226,286,649
Margins for irrevocable letters of credit	14,035,163	13,424,465
Margins on letters of guarantee	15,198,215	18,977,977
Escrow account for the acquisition of Bank's shares	-	81,317,627
	4,937,445,396	4,860,404,075
Accrued interest payable	26,564,885	23,102,722
	4,964,010,281	4,883,506,797

Customers' deposits include coded accounts as at December 31, 2015 amounting to LBP25billion (LBP22billion as at December 31, 2014). These accounts are subject to the provisions of Article 3 of the Banking Secrecy Law dated September 3, 1956. Under the provisions of this article, the Group's management cannot reveal the identities of the depositors to third parties, including its independent auditors.

Escrow account for the acquisition of Bank's shares represents amounts deposited in 2014 by potential investors to buy the shares of one of the Bank's existing shareholders. During 2015, the balance of the escrow account was transferred to the account of the former shareholder following

the transfer of all his shares to the new shareholders.

Customers' deposits include an escrow account deposited by the former shareholders of Société Bancaire du Liban S.A.L. ("SBL") to cover any shortage in the transferred allowance for bad and doubtful debts accounts or for those accounts that needed to be downgraded at the merger date. The balance of this pledged deposit as at December 31, 2015 and 2014 amounted to USD207,000 equivalent to LBP312million. There has been no transfer to "Escrow account to cover shortage in provisions" under "Loans and advances" during 2015 and 2014. This escrow account earned interest at the rate of 3.21% per annum during 2015 and 2014.

Deposits are allocated by brackets as follows:

	December 31, 2015			
	Deposits in LBP		Deposits in F/Cy	
	Total	% to Total	Total	% to Total
	Deposits			
	LBP'000	%	LBP'000	%
Related parties	38,729,206	2.21	158,941,419	5.28
Customers:				
Less than LBP 200million	432,341,956	22.79	472,964,484	15.30
Between LBP 200 million and LBP1.5billion	593,192,582	31.26	947,336,867	30.64
More than LBP1.5billion	812,512,418	43.74	1,507,991,349	48.78
	1,838,046,956		2,928,292,700	
	1,876,776,162	100	3,087,234,119	100

	December 31, 2014			
	Deposits in LBP		Deposits in F/Cy	
	Total	% to Total	Total	% to Total
	Deposits			
	LBP'000	%	LBP'000	%
Related parties	67,710,863	4.04	76,646,884	2.50
Customers:				
Less than LBP200million	400,352,077	23.09	456,227,465	14.46
Between LBP200million and LBP1.5billion	545,444,430	31.46	899,905,062	28.53
More than LBP1.5billion	717,819,295	41.41	1,719,400,721	54.51
	1,663,615,802		3,075,533,248	
	1,731,326,665	100	3,152,180,132	100

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

Year	Average Balance of Deposits	Allocation of Deposits		Cost of Funds	Average Interest Rate
		LBP	F/Cy		
		LBP'000	%		
2015	4,862,048,525	37	63	214,416,340	4.41
2014	4,677,694,293	36	64	205,549,419	4.39
2013	4,235,413,038	36	64	184,954,314	4.36

21- OTHER LIABILITIES

This caption consists of the following:

	December 31,	
	2015	2014
	LBP'000	
Withheld taxes and other taxes payable	2,655,969	2,724,443
Corporate income tax payable (b)	2,145,699	1,218,540
Due to the National Social Security Fund	779,964	633,407
Checks and incoming payment orders in course of settlement	11,547,363	10,484,480
Accrued expenses	8,408,603	8,650,772
Payables on land acquisition	-	2,864,250
Deferred income (c)	8,740,412	8,548,723
Due to insurance companies and collectors of bills (a)	7,587,544	8,935,038
Dividends payable	1,243,438	-
Sundry accounts payable	8,432,865	9,805,871
Accrued interest on cumulative preferred shares	1,020,597	160,764
	52,562,456	54,026,288

(a) The maturity of the dues to insurance companies and collectors of bills related to retail loans are allocated based on the maturity of the related outstanding loans.

(b) Income tax expense is reconciled as follows:

	December 31,	
	2015	2014
LBP'000		
Profit for the year before income tax for the banks and institutions (subject to 15% corporate income tax)	52,285,594	48,579,483
Net non-deductible expenses/(non taxable income)	(4,217,273)	(9,662,531)
Taxable income	48,068,321	38,916,952
Corporate tax expense (15%)	7,210,248	5,837,543
Lump sum tax expense	26,375	5,894
Income tax expense	7,236,623	5,843,437
Less: Tax paid in advance (5%)	(5,152,121)	(4,692,095)
Tax payable related to prior years	61,197	67,198
Corporate income tax payable	2,145,699	1,218,540

During 2014, the tax returns of the Bank were subject to examination by tax authorities for the years from 2009 until 2012. This examination resulted in an additional tax liability of LBP1.7billion applied against accrued expenses and fully paid during the year.

The tax returns of the Bank for the years 2015 and 2014 remain subject to examination and final assessment by the tax authorities and any additional tax liability depends on the outcome of such review.

The tax returns for the Bank's subsidiaries are as follows:

- Capital Finance Company S.A.L.: the tax returns for the years from 2011 till 2015 remain subject to examination and final assessment by the tax authorities and any additional tax liability depends on the outcome of such review.
- Middle East Capital Group S.A.L.: the tax returns for the years from 2012 till 2015 remain subject to examination

and final assessment by the tax authorities and any additional tax liability depends on the outcome of such review.

- Corporate Finance House S.A.L.: the tax returns for the years from 2011 until 2015 remain subject to examination and final.

The Group's management does not anticipate significant additional tax and social security liabilities with regard to years that are still subject to examination with respect to the Bank and its subsidiaries.

(c) Deferred income includes unearned commission on insurance policies related to outstanding retail loans maturing after year end. These unearned commissions are recognized to income over the term of the related loans. Furthermore, it includes file fees and difference on collection charges that are recognized as yield adjustment over the loan repayment period.

22- PROVISIONS

Provisions consist of the following:

	December 31,	
	2015	2014
LBP'000		
Provision for staff end-of-service indemnities	9,750,049	9,418,623
Provision for contingencies	389,421	197,569
Provision for foreign currency fluctuations	121,166	26,484
	10,260,636	9,642,676

The movement of the provision for staff end-of-service indemnities is as follows:

	December 31,	
	2015	2014
LBP'000		
Balance, January 1	9,418,623	8,258,225
Additions	525,794	1,266,079
Settlements	(194,368)	(227,033)
Additions through business combination	-	121,352
Balance, December 31	9,750,049	9,418,623

The movement of the provision for contingencies was as follows:

	December 31,	
	2015	2014
LBP'000		
Balance, January 1	197,569	1,143,603
Additions	326,021	291,167
Settlements	(134,169)	(1,237,201)
Balance, December 31	389,421	197,569

The provision for contingencies is set up to cover possible claims and charges in connection with the Group's activities and includes amounts to cover the likelihood of additional levies due to uncertainties.

23- CUMULATIVE PREFERRED SHARES

The Extraordinary General Assembly approved in its meeting held on June 6, 2014 the issuance of 150,000 cumulative series "A" preferred shares with fixed maturity at a nominal value of LBP10,000 per share in the aggregate amount of LBP1.5billion and an aggregate premium of LBP21.1billion on the entire issued shares to the sole subscriber "European Investment Bank". The preferred shares earn dividends on a cumulative basis of USD4.5 per share and mature in seven years.

24- SHARE CAPITAL

The Extraordinary General Assembly approved in its meeting

held on March 31, 2015, the substitution of the nominal value of 150,000 preferred shares series 1 (LBP10,000 per share) by the equivalent value in capital transferred from retained earnings. The 150,000 new common shares were issued and distributed to common shareholders on a prorata basis. The share capital of the Bank as at December 31, 2015 is constituted of 16,230,000 shares with a nominal value of LBP10,000 per share fully paid (16,080,000 shares as at December 31, 2014).

The Extraordinary General Assembly approved in its meeting held on October 23, 2014 the increase of capital from LBP154.5billion to LBP160.8billion through the issuance of 630,000 nominative shares of LBP10,000 nominal value each with a share premium of LBP18,647 (C/V USD12.37) for each newly issued share against the full acquisition of Corporate Finance House Limited's shares (a newly acquired subsidiary). The capital of the Bank as

at December 31, 2014 became composed of 16,080,000 shares of par value of LBP10,000 each fully paid with an additional paid-in capital of LBP39.92billion as at December 31, 2014 and 2015.

25- PREFERRED SHARES

This caption consists in 2015 and 2014 of the following:

	December 31, 2015		December 31, 2014	
	Nominal Value	Premium	Nominal Value	Premium
	LBP'000			
Preferred shares series "1"	-	-	1,500,000	21,105,000
Preferred shares series "2"	2,500,000	35,187,500	2,500,000	35,187,500
Preferred shares series "3"	2,500,000	35,191,639	-	-
	5,000,000	70,379,139	4,000,000	56,292,500

The Extraordinary General Assembly held on November 23, 2009 approved the issuance of 150,000 non-cumulative perpetual redeemable series "1" Preferred shares, with a nominal value of LBP10,000 each, and an aggregate premium of LBP21.1billion (USD14million) on the entire issued shares in accordance with the terms and conditions of the Extraordinary General Assembly held on May 8, 2009. The preferred shares earn dividends of USD4.25 each for the year 2009 and USD8.25 for the years thereafter.

The Extraordinary General Assembly approved in its meeting held on October 23, 2014 the redemption of its series "1" preferred shares mentioned above at a price specified in the prospectus with a total redemption value of LBP22.6billion and is reflected in the consolidated statement of financial position under "Treasury preferred shares" pending the completion of the required legal formalities and the approval of the Central Bank of Lebanon to issue 150,000 nominative shares to be distributed proportionally to all shareholders from retained earnings in the amount of LBP1.5billion in order to compensate for the redeemable shares. These shares were redeemed and cancelled based on the approval of the Extraordinary General Assembly dated March 31, 2015 and after the completion of all the necessary legal measures.

The Extraordinary General Assembly of the Bank approved in its meeting held on October 28, 2012 the issuance of 250,000 non-cumulative perpetual redeemable series "2" preferred shares with a nominal value of LBP10,000 each, totaling LBP2.5billion and an aggregate premium of LBP35.2billion (C/V USD23.34million) on the entire issued shares paid in cash by the subscribers in accordance with the terms and conditions specified in the Extraordinary General Assembly indicated above.

The Extraordinary General Assembly approved in its meeting held on October 23, 2014 the issuance of 250,000 non-cumulative perpetual redeemable series "3" preferred shares with a nominal value of LBP10,000 each, totaling LBP2.5billion and an aggregate premium of LBP35.2billion (C/V USD23.34million) on the entire issued shares to be paid in cash by the subscribers in accordance with the terms and conditions specified in the Extraordinary General Assembly indicated above. The amounts paid by the subscribers during 2014 were deposited in an escrow account pending the completion of the required legal formalities and the approval of the Central Bank of Lebanon to issue these shares. The issuance of series "3" preferred shares was completed in February 2015 following the approval of the Central Bank of Lebanon.

26- RESERVES

This caption consists of the following:

	December 31,	
	2015	2014
	LBP'000	
Legal reserves (i)	18,846,684	15,077,741
Reserves for general banking risks (ii)	43,936,250	37,299,716
General reserve for performing loans (iii)	1,969,228	954,973
Reserves for assets acquired in satisfaction of loan (Note 16)	1,140,426	1,132,770
	65,892,588	54,465,200

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

(ii) The reserves 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. This reserve should reach 1.25% of total risk weighted assets, off-balance sheet risk and global exchange position at year 10 and 2% of that amount at year 20. This reserve is constituted in Lebanese Pounds and in foreign currencies in proportion to the composition of the Group's total risk weighted assets and off-balance sheet items. This reserve is not available for distribution.

(iii) In compliance with the basic circular no. 81 issued by the Central Bank of Lebanon, the Group is required to transfer from net profit to general reserve for performing loans the equivalent of:

- 0.5% of retail loans that are less than 30 days past due (subject to deductions of some guarantees received) to general reserve for the year 2014 in addition to a percentage of 0.5% yearly over a six year period starting 2015.

- 0.25% of performing corporate loans to general reserve as of end of 2014. This reserve should increase to 0.5% as of end of 2015, 1% as of end of 2016 and 1.5% as of end of 2017. The Group is exempted from this general reserve if the balance of collective provision exceeds 0.25% of the performing corporate loans portfolio as of end of 2014, 0.5% as of end of 2015, 1% as of end of 2016 and 1.5% as of end of 2017.

27- NON-CONTROLLING INTERESTS

This caption consists of the following:

	December 31,	
	2015	2014
	LBP'000	
Capital	436,211	436,211
Reserves	21,348	17,290
Accumulated profits	124,434	65,325
Fund's Net Asset Value	130,182,571	65,325

130,764,564

518,826

28- INTEREST INCOME

This caption consists of the following:

	2015	2014
		LBP'000
Interest income from:		
Term deposits with Central Bank	39,299,279	37,904,295
Deposits with banks and financial institutions	7,381,863	7,419,554
Financial assets at amortized cost	137,767,218	135,713,116
Loans to banks and financial institutions	757,536	183,650
Loans and advances to customers	101,361,592	102,424,560
Loans and advances to related parties	969,320	1,303,864

287,536,808

284,949,039

29- INTEREST EXPENSE

This caption consists of the following:

	2015	2014
LBP'000		
Interest expense on:		
Deposits and borrowings from banks and financial institutions	9,555,927	9,931,294
Customers' deposits	208,458,383	199,561,226
Related parties' deposits	6,362,596	6,712,242
Interest expense on cumulative preferred shares (Note 23)	1,271,869	191,653
	225,648,775	216,396,415

30- FEE AND COMMISSION INCOME

This caption consists of the following:

	2015	2014
LBP'000		
Commission on documentary credits	2,157,579	2,020,146
Commission on letters of guarantee	2,334,088	2,297,456
Commission on certificates of deposit	43,242	31,197
Service fees on customers' transactions	12,221,809	11,273,462
Brokerage fees	2,892,268	2,731,589
Commission on transactions with banks	289,417	312,187
	19,938,403	18,666,037

31- FEE AND COMMISSION EXPENSE

This caption consists of the following:

	2015	2014
LBP'000		
Commission on transactions with banks	2,863,467	3,072,526
Commission on private banking transactions	3,240,029	3,017,614
	6,103,496	6,090,140

32- NET INTEREST AND GAIN OR LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This caption consists of the following:

	2015	2014
LBP'000		
Interest income	44,307,135	27,008,807
Unrealized gain (Note 7)	10,645,524	9,507,690
Net realized gain on sold securities	767,088	1,579,963
Dividend income	1,576,201	1,555,101
	57,295,948	39,651,561

33- OTHER OPERATING INCOME (NET)

This caption consists of the following:

	2015	2014
LBP'000		
Revenue from financial services provided - A	6,193,820	5,725,931
Gain from disposal of investments at amortized cost (Note 12) - B	505,254	6,703,647
Net loss on disposal of assets acquired in satisfaction of loans	(379,134)	(295,259)
Net loss on disposal of property and equipment	(76,288)	(118,444)
Net foreign exchange gains	4,537,259	3,759,855
Other	133,451	171,475
	10,914,362	15,947,205

A- Revenue from financial services provided by the newly acquired subsidiary Corporate Finance House Limited are broken down as follows:

	2015	2014
LBP'000		
Placement and structuring	4,997,362	2,304,213
Management	956,765	1,123,576
Advisory	209,543	1,544,392
Other brokerage fees	30,150	753,750

6,193,820

5,725,931

B- Gain from Sale and Swap of investments at amortized cost are broken down as follows:

Year Ended December 31, 2015				
	Transaction Type	Amortized Cost as of Sale/Swap Date	Maturity	Gains
		LBP'000		LBP'000
Lebanese treasury bills	Swap	22,558,671	2016	175,178
Lebanese treasury bills	Swap	11,441,262	2015	37,961
Certificates of deposit issued by the Central Bank of Lebanon	Sale	159,787,954	2015	292,115
		193,787,887		505,254

Year Ended December 31, 2014				
	Transaction Type	Amortized Cost as of Sale/Swap Date	Maturity	Profit/(Loss)
		LBP'000		LBP'000
Lebanese government bonds	Swap	22,637,962	2014	6,348
Certificates of deposit issued by the Central Bank of Lebanon	Swap	10,227,562	2016	(127)
Certificates of deposit issued by the Central Bank of Lebanon	Swap	67,355,768	2017	(5,546)
		100,221,292		675
Certificates of deposit issued by the Central Bank of Lebanon (with the option of early redemption)	Put option	33,556,950	2015	1,377,798
Lebanese treasury bills	Sale	33,046,087	2015	129,914
Certificates of deposit issued by the Central Bank of Lebanon	Sale	15,000,000	2020	-
Corporate bonds	Sale	22,612,500	2015	1,017,563
Corporate bonds	Sale	436,008	2016	(7,046)
Corporate bonds	Sale	10,936,041	2017	48,287
Corporate bonds	Sale	17,328,705	2021	4,136,456
		99,359,341		5,325,174
		233,137,583		6,703,647

34- DEPRECIATION AND AMORTIZATION

This caption consists of the following:

	2015	2014
LBP'000		
Depreciation of property and equipment (Note 17)	4,024,831	3,716,773
Amortization of intangible assets (Note 14)	209,767	220,564
	4,234,598	3,937,337

35- 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 balance sheet. 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, 2015 and 2014 represent positions held for customers' accounts and at their risk. The Group entered into such instruments to serve the needs of customers, and these contracts are fully hedged by the Group.

36- FIDUCIARY DEPOSITS AND ASSETS UNDER MANAGEMENT

Fiduciary assets are invested as follows:

	December 31, 2015		
	Resident	Non-Resident	Total
LBP'000			
Debt and equity securities	285,269,436	27,307,051	312,576,487
Deposits with financial institutions	9,491,515	2,068,563	11,560,078
	294,760,951	29,375,614	324,136,565

	December 31, 2014		
	Resident	Non-Resident	Total
LBP'000			
Debt and equity securities	313,973,210	69,314,174	383,287,384
Deposits with financial institutions	1,745,506	-	1,745,506
	315,718,716	69,314,174	385,032,890

37-BALANCES/TRANSACTIONS WITH RELATED PARTIES

This caption consists of the following:

	December 31,	
	2015	2014
LBP'000		
Shareholders, directors and other key management personnel and close family members and related companies:		
Direct facilities and credit accounts:		
- Secured loans and advances	73,677,881	19,996,898
- Unsecured loans and advances	4,662,932	4,807,569
- Deposits	197,670,625	144,357,747
Indirect facilities	1,069,022	10,000

Interest rates charged on balances outstanding are the same rates that would be charged in an arm's length transaction. Secured loans and advances are covered by pledged deposits of the respective borrowers to the extent of LBP70.5billion (LBP131million of December 31, 2014). In addition, loans and advances were covered by real

mortgages to the extent of LBP3.4billion (LBP3.7billion as of December 31, 2014).

Directors' and senior staff remuneration of the Bank and its subsidiaries amounted to LBP7billion during 2015 (LBP6.2billion during 2014).

38- DIVIDENDS PAID

This caption consists of the following:

	December 31,	
	2015	2014
LBP'000		
Preferred shares	3,071,528	4,465,970
Ordinary shares	13,795,500	10,042,499
Dividend distributed to First National Dollar Fund and National Fixed Income Fund Subscribers	6,029,884	-
	22,896,912	14,508,469

The general assembly of the Bank held on May 29, 2015 approved the dividend distribution of LBP850 for each common share and USD6.9 (c/v LBP10,400) for each preferred share - Series 2 and USD1.25 (C/V LBP1,884) for each preferred share - Series 3.

preferred share - Series 1 and USD6.9 (C/V LBP10,400) for each preferred share - Series 2.

The general assembly of the Bank held on May 29, 2014 approved the dividend distribution of LBP650 for each common share and USD8.25 (C/V LBP12,437) for each

During 2015, the First National Dollar Fund and the National Fixed Income Fund distributed dividends to its subscribers in the amount of USD12.47 (CV LBP18,799) and USD26.61 (CV LBP40,110) per share on December 31, 2015 respectively as well as USD21.39 (CV LBP32,249) per share on June 30, 2015 totaling an amount of LBP6billion.

39- CASH AND CASH EQUIVALENTS

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

	December 31,	
	2015	2014
	LBP'000	
Cash	31,734,311	29,246,419
Current accounts with Central Bank of Lebanon	52,596,989	36,073,517
Time deposits with Central Bank of Lebanon	6,030,000	18,540,720
Current accounts with banks and financial institutions and purchased checks	182,004,717	255,422,827
Time deposits with banks and financial institutions	134,280,117	176,327,621
	406,646,134	515,611,104

Time deposits with and from Central Bank of Lebanon and banks and financial institutions included above represent inter-bank placements and borrowings with an original term of 90 days or less.

The following operating, investment and financing activities, which represent non-cash items were excluded from the consolidated statement of cash flows as follows in 2015:

In 2015:

(a) Transfer of LBP2.7billion from "Loans and advances to customers" to "Assets acquired in satisfaction of debts".

(b) The issuance of preferred shares in the amount of LBP37.69billion during 2015 against the deposits blocked for issuance of preferred shares.

(c) The increase of capital in the amount of LBP1.5billion during 2015 through the issuance of 150,000 nominative shares of LBP10,000 each, allocated from the retained earnings of the Bank.

(d) The change in fair value of financial assets at fair value through other comprehensive income in the amount of LBP808million for the year ended December 31, 2015 against financial assets at fair value through other comprehensive income in the amount of LBP951million and deferred tax asset in the amount of LBP143million.

(e) The full redemption of series "1" preferred shares during 2015 that were reflected in the consolidated statement of financial position as at December 31, 2014 under "Treasury preferred shares" pending the completion of the required legal formalities and the approval of the Central Bank of Lebanon.

In 2014

(a) The payables on land acquisition in the amount of LBP2.8billion during 2014 against the property and equipment.

(b) The additions acquired through business combination and detailed below:

	LBP'000
ASSETS:	
Financial assets at fair value through other comprehensive income	8,792,705
Due from related parties (Net)	1,774,311
Property and equipment	100,973
Other assets	651,449
Goodwill	6,626,412
	17,945,850
LIABILITIES:	
Other liabilities	753,750
Provisions	121,352
	875,102
Shareholders' equity:	
Share capital	6,300,000
Additional paid-in capital	11,748,099
	18,048,099
Cash received through business combination	977,351

40- MATERIAL PARTLY - OWNED SUBSIDIARY

The table below shows details of partly owned subsidiaries and mutual fund of the Group that have material non-controlling interests:

Name of Subsidiary	Place of Incorporation and Principal Place of Business	% of Ownership	Profit Allocated to Non-Controlling Interests		Accumulated Non-Controlling Interests	
			Year Ended December 31,			
			2015	2014	2015	2014
		%	LBP'000			
First National Dollar Fund SPC and National Fixed Income Fund SPC	Cayman Islands	0%	6,001,550	-	130,182,571	-

Summarized financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarized financial information below represent amounts before intragroup eliminations:

Statement of Financial Position:

	Middle East Capital Group Limited		First National Dollar Fund and National Fixed Income Fund	
	December 31,			
	2015	2014	2015	2014
LBP'000				
Assets	354,918,312	210,845,193	153,387,293	-
Liabilities	(170,534,157)	(162,627,214)	(23,204,722)	-
Equity	184,384,155	48,217,979	130,182,571	-

Statement of Profit or Loss and Other Comprehensive Income:

	Middle East Capital Group Limited		First National Dollar Fund and National Fixed Income Fund	
	December 31,			
	2015	2014	2015	2014
LBP'000				
Net interest income	1,392,192	2,315,644	(154,799)	-
Advisory fees	-	-	(799,708)	-
Operating and other income/(expenses), net	1,196,847	394,876	(325,865)	-
Net interest and gain or loss on trading assets at fair value through profit or loss	10,071,467	2,648,870	7,281,922	-
Income tax expense	(723,558)	(549,181)	-	-
Profit for the period	11,936,948	4,810,209	6,001,550	-

41- CAPITAL MANAGEMENT

The Group's objectives when managing capital are to comply with the capital requirements set by the Central Bank of Lebanon, the Group's main regulator, to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base.

Risk weighted assets and capital are monitored periodically to assess the quantum of capital available to

support growth and optimally deploy capital to achieve targeted returns.

The 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 LBP500million for each local branch and LBP1.5billion for each branch abroad. In addition, the bank is required to observe the minimum capital adequacy ratio set by the regulator.

The Group monitors the adequacy of its capital using the methodology and ratios established by Central Bank of Lebanon. These ratios measure capital adequacy by comparing the Group's eligible capital with its balance sheet assets, commitments and contingencies, and notional amount of derivatives at a weighted amount to reflect their relative risk.

The Group's capital is split as follows:

Tier I Capital: Comprises share capital after deduction of treasury shares, shareholders' cash contribution to capital, non-cumulative perpetual preferred shares, share premium, reserves from appropriation of profits and retained earnings. Goodwill and cumulative unfavorable change in fair value of financial assets classified through other comprehensive income.

Tier II Capital: Comprises qualifying subordinated liabilities,

The Group's capital adequacy ratio was as follows:

cumulative favorable change in fair value of financial assets classified through other comprehensive income.

Certain investments in financial and non-financial institutions are ineligible and are deducted from Tier I and Tier II.

Also, various limits are applied to the elements of capital base: Qualifying Tier II capital cannot exceed Tier I capital and qualifying short term subordinated loan capital may not exceed 50% of Tier I capital.

Investments in associates are deducted from Tier I and Tier II capital.

Also, various limits are applied to the elements of capital base: Qualifying Tier II capital cannot exceed Tier I capital and qualifying short term subordinated loan capital may not exceed 50% of Tier I capital.

	December 31,	
	2015	2014
	LBP Million	
Common equity Tier I	317,662	268,361
Additional Tier I capital	75,379	97,980
Net Tier I capital	393,041	366,341
Tier II capital	24,311	22,656
Total regulatory capital (Tier I + Tier II)	417,352	388,997
Credit risk	2,942,322	2,820,895
Market risk	360,892	297,899
Operational risk	202,106	199,473
Risk-weighted assets and risk-weighted off-balance sheet items	3,505,320	3,318,267
Common equity ratio	9.06%	8.09%
Tier I ratio	11.21%	11.04%
Risk based capital adequacy ratio - Tier I and Tier II capital	11.91%	11.72%

42- FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

A - CREDIT RISK

Credit risk is the risk of financial loss to the Group if a 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 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. Concentrations of credit risk indicate 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 Group's 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

Policies and principles that the Group follows on loans and advances are included in "Management of Credit Risk" which stipulates the Group's general credit policy.

In measuring credit risk of loans and advances, the Group considers the following:

A. Managing credit risk based on the risk profile of the borrower, repayment source and the nature of the underlying collateral given current events and conditions.

B. Measuring credit risk through reviewing the following:

- Ability of the counterparty to honor its contractual

obligations based on the account's performance, recurring overdues and related reasons, the counterparty's financial position and effect thereto of the economic environment and market conditions;

- Exposure levels of the counterparty and unutilized credit limits granted;
- Exposure levels of the counterparty with other banks;
- Purpose of the credit facilities granted to the counterparty and conformity of utilization by the counterparty.

In accordance with Central Bank of Lebanon circular No.58 the Group's customers are categorized into six classifications as described below:

CLASSIFICATION	DESCRIPTION	
1	Standard monitoring	Indicates that borrowers are able to honor their commitments and there is no reason to doubt their ability to repay principal and interest in full and in a timely manner. Some of the indicators related to this category are: continuous cash inflows, timely submission of financial statements and / or sufficient collateral.
2	Watch List	Loans and advances rated Watch List are loans that are not impaired but for which the Group determines that they require special monitoring.
3	Special monitoring	Indicates that borrowers are able to honor their current commitments, although repayment may be adversely affected by specific factors. Such borrowers are subject to special monitoring. Major characteristics of this category are: inadequate loan information such as annual financial statements availability, condition of and control over collateral held is questionable and/or declining profitability.
4	Substandard	Indicates that borrowers' ability to serve their commitments is in question. In this context, borrowers cannot depend on their normal business revenues to pay back principal and interest, i.e. losses may occur. The main characteristics of this category are severe decline in profitability and in cash inflows. In this case, the Group considers interests and commissions as unrealized but does not establish an allowance for impairment.
5	Doubtful	Indicates that borrowers cannot honor their commitments in full and on time. Significant losses will be incurred even collateral held is invoked due to payment overdues. The net realizable value of collateral held is insufficient to cover payment of principal and interest. In this case, the Group considers interests and commissions as unrealized and established an allowance for impairment accordingly.
6	Bad	Indicates that commitments cannot be covered even after taking all possible measures and resorting to necessary legal procedures. Some signals of this category would be inexistence of collateral low value of collateral and / or, losing contact with the borrower. In this case, the bank considers interests and commissions as unrealized, ceases their accumulation, and provides the whole amount of the exposure's balance.

If the debtor's default on the loan is temporary, management of the Group identifies and manages to work a plan to reschedule the payments due and/or obtain additional collateral before downgrading the loan to substandard or doubtful.

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
- Business other assets (such as inventories and accounts receivable)

4- Financial Assets with Credit Risk Exposure and Related Concentrations

Concentration of financial assets and liabilities by geographical area:

	December 31, 2015					
	Lebanon	Middle East and Africa	North America	Europe	Other	Total
LBP'000						
Financial Assets						
Cash and deposits with Central Bank of Lebanon	1,161,719,562	-	-	-	-	1,161,719,562
Deposits with banks and financial institutions	228,485,589	15,888,223	27,089,878	198,363,200	30,748,212	500,575,102
Financial assets at fair value through profit or loss	732,828,182	447,866	1,507,500	-	-	734,783,548
Loans to banks	24,706,544	1,891,476	-	-	3,015,000	29,613,020
Loans and advances to customers	1,362,184,099	27,393,241	2,540,134	8,670,166	22,572,667	1,423,360,307
Due from related parties	294,628	4,001,003	-	450,048	-	4,745,679
Financial assets at fair value through other comprehensive income	1,432,863	5,101,242	-	4,293,662	-	10,827,767
Financial assets at amortized cost	2,138,173,136	3,015,000	-	7,537,500	-	2,148,725,636
Customers' liability under acceptances	43,088,652	3,550,028	-	-	-	46,638,680
Other financial assets	8,041,765	-	-	-	-	8,041,765
	5,700,955,020	61,288,079	31,137,512	219,314,576	56,335,879	6,069,031,066
Financial Liabilities						
Deposits from banks and financial institutions	266,641,752	173,424,488	-	79,105,676	-	519,171,916
Customers' deposits	4,113,373,260	548,915,125	69,080,257	168,878,339	63,763,300	4,964,010,281
Liability under acceptances	12,427,613	954,715	151,882	10,053,520	23,050,950	46,638,680
Other financial liabilities	43,822,044	-	-	-	-	43,822,044
Cumulative preferred shares	292,344	-	-	22,617,952	-	22,910,296
	4,436,557,013	723,294,328	69,232,139	280,655,487	86,814,250	5,596,553,217

December 31, 2014

	Lebanon	Middle East and Africa	North America	Europe	Other	Total
LBP'000						
Financial Assets						
Cash and deposits with Central Bank of Lebanon	1,122,174,568	-	-	-	-	1,122,174,568
Deposits with banks and financial institutions	236,735,365	33,082,789	59,057,860	260,686,043	1,206,085	590,768,142
Financial assets at fair value through profit or loss	457,933,161	3,733	1,507,500	-	-	459,444,394
Loans to banks	2,335,298	15,103,643	-	-	-	17,438,941
Loans and advances to customers	1,272,716,754	90,084,301	3,301,472	6,602,995	165	1,372,705,687
Due from related parties	91,656	950,396	-	2,428,534	-	3,470,586
Financial assets at fair value through other comprehensive income	1,342,216	6,051,992	-	2,075,375	-	9,469,583
Financial assets at amortized cost	2,151,222,590	-	-	13,572,300	-	2,164,794,890
Customers' liability under acceptances	37,254,166	7,519,410	-	-	-	44,773,576
Other financial assets	6,118,380	-	-	-	-	6,118,380
	5,287,924,154	152,796,264	63,866,832	285,365,247	1,206,250	5,791,158,747
Financial Liabilities						
Deposits and borrowings from banks and financial institutions	186,257,689	184,577,857	-	97,277,067	-	468,112,613
Customers' deposits and credit accounts	4,298,045,697	392,188,082	38,384,680	149,880,428	5,007,910	4,883,506,797
Liability under acceptances	11,644,439	10,148,918	978,777	19,156,451	2,844,991	44,773,576
Other financial liabilities	36,696,029	-	-	-	-	36,696,029
Cumulative preferred shares	-	-	-	22,656,235	-	22,656,235
	4,532,643,854	586,914,857	39,363,457	288,970,181	7,852,901	5,455,745,250

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. Through ALCO, the Board of Directors is responsible for establishing the liquidity policy which includes:

- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met;
- Maintenance of a portfolio of liquid and marketable assets;
- Diversification of funding; and
- Maintenance of adequate contingency plans.

2- Exposure to Liquidity Risk

The Group ensures that its local entities are in compliance with the liquidity limits in Lebanese Pound and foreign currencies as established by the Central Bank of Lebanon.

The tables below show the Group's financial liabilities segregated by maturity:

December 31, 2015							
	Not Subject to Maturity	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
LBP'000							
Financial Liabilities							
Deposits and borrowings from banks and financial institutions	57,777,440	400,235,554	-	45,225,000	1,970,269	13,963,653	519,171,916
Customer's deposits and credit accounts	922,594,519	3,155,694,624	782,533,710	100,813,413	2,374,015	-	4,964,010,281
Liability under acceptances	46,638,680	-	-	-	-	-	46,638,680
Other financial liabilities	36,234,500	2,034,025	2,248,906	2,853,530	445,483	5,600	43,822,044
Cumulative preferred shares	292,344	-	-	-	22,617,952	-	22,910,296
	1,063,537,483	3,557,964,203	784,782,616	148,891,943	27,407,719	13,969,253	5,596,553,217

December 31, 2014							
	Not Subject to Maturity	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
LBP'000							
Financial Liabilities							
Deposits and borrowings from banks and financial institutions	57,137,481	305,742,680	45,225,000	47,970,000	-	12,037,452	468,112,613
Customer's deposits and credit accounts	1,127,591,207	2,918,218,802	694,319,745	142,233,905	1,143,138	-	4,883,506,797
Liability under acceptances	-	1,085,000	43,688,576	-	-	-	44,773,576
Other financial liabilities	28,033,991	2,057,053	2,867,543	3,497,648	511,664	1,130	36,696,029
Cumulative preferred shares	-	-	-	-	-	22,656,235	22,656,235
	1,212,762,679	3,227,103,535	786,100,864	193,701,553	1,654,802	34,694,817	5,455,745,250

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.

1- Currency Risk:

The Group carries on exchange risk associated with the effects of fluctuations in prevailing foreign currency exchange

rates on its financial position and cash flows. The Bank takes preventive measures against this risk on setting up limits on the level of exposure by currency and in total for both overnight and intra-day positions in line with the limits authorized by the regulatory authorities.

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

	December 31, 2015				
	LBP	USD	Euro	Other	Total
LBP'000					
ASSETS					
Cash and deposits with Central Bank of Lebanon	474,126,488	538,593,591	144,374,551	4,624,932	1,161,719,562
Deposits with banks and financial Institutions	12,901,538	248,009,928	162,845,358	76,818,278	500,575,102
Financial assets at fair value through profit or loss	516,561,385	217,981,819	-	240,344	734,783,548
Loans to banks	1,869,768	26,591,075	-	1,152,177	29,613,020
Loans and advances to customers	367,749,806	1,022,104,939	29,111,577	4,393,985	1,423,360,307
Due from related parties	-	1,018,981	449,865	3,276,833	4,745,679
Financial assets at fair value through other comprehensive income	34,168	6,443,459	4,350,140	-	10,827,767
Financial assets at amortized cost	991,803,706	1,123,468,775	33,453,155	-	2,148,725,636
Customers' liability under acceptances	-	40,735,780	3,470,118	2,432,782	46,638,680
Investment in and loan to an associate	241,212	-	-	-	241,212
Assets acquired in satisfaction of loans	7,215	4,095,190	-	-	4,102,405
Property and equipment	84,299,687	5,755,001	-	-	90,054,688
Other assets	11,804,215	17,873,515	2,073,230	139,325	31,890,285
Goodwill	-	27,006,068	-	-	27,006,068
	2,461,399,188	3,279,678,121	380,127,994	93,078,656	6,214,283,959
Liabilities					
Deposits from banks and financial institutions	178,692,124	287,922,582	50,567,075	1,990,135	519,171,916
Customers' deposits and credit balances	1,876,776,162	2,648,992,748	360,757,860	77,483,511	4,964,010,281
Liability under acceptances	-	40,735,780	3,470,118	2,432,782	46,638,680
Other liabilities	24,064,564	27,822,406	628,082	47,404	52,562,456
Provisions	10,082,330	178,306	-	-	10,260,636
Cumulative preferred shares	1,500,000	21,410,296	-	-	22,910,296
	2,091,115,180	3,027,062,118	415,423,135	81,953,832	5,615,554,265
Currencies to be delivered	(1,211,325)	(52,934,832)	(9,303,516)	(4,786,673)	(68,236,346)
Currencies to be received	-	12,704,958	52,878,552	3,359,845	68,943,355
Net exchange position	(1,211,325)	(40,229,874)	43,575,036	(1,426,828)	707,009
Net Assets	370,284,008	252,616,003	(35,295,141)	11,124,824	598,729,694

	December 31, 2014				
	LBP	USD	Euro	Other	Total
LBP'000					
ASSETS					
Cash and deposits with Central Bank of Lebanon	429,148,791	514,199,892	175,425,907	3,399,978	1,122,174,568
Deposits with banks and financial institutions	15,606,754	318,373,332	161,545,706	95,242,350	590,768,142
Financial assets at fair value through profit or loss	355,119,736	104,175,497	-	149,161	459,444,394
Loans to banks	2,426,753	15,012,188	-	-	17,438,941
Loans and advances to customers	373,081,089	974,131,466	21,322,580	4,170,552	1,372,705,687
Due from related parties	-	3,470,586	-	-	3,470,586
Financial assets at fair value through other comprehensive income	-	7,394,208	2,075,375	-	9,469,583
Financial assets at amortized cost	931,313,888	1,196,089,227	37,391,775	-	2,164,794,890
Customers' liability under acceptances	-	36,151,857	4,947,156	3,674,563	44,773,576
Investment in and loan to an associate	241,212	-	-	-	241,212
Assets acquired in satisfaction of loans	7,215	3,007,762	-	-	3,014,977
Property and equipment	67,058,869	10,812,267	-	-	77,871,136
Other assets	11,856,798	15,814,228	394,428	430,955	28,496,409
Goodwill	-	27,006,068	-	-	27,006,068
	2,185,861,105	3,225,638,578	403,102,927	107,067,559	5,921,670,169
LIABILITIES					
Deposits from banks and financial institutions	135,013,318	319,216,989	12,201,785	1,680,521	468,112,613
Customers' deposits and credit balances	1,731,326,666	2,633,995,417	428,041,285	90,143,429	4,883,506,797
Liability under acceptances	-	36,151,857	4,947,156	3,674,563	44,773,576
Other liabilities	22,750,799	30,597,324	476,150	202,015	54,026,288
Provisions	9,641,078	1,598	-	-	9,642,676
Cumulative preferred shares	1,500,000	21,156,235	-	-	22,656,235
	1,900,231,861	3,041,119,420	445,666,376	95,700,528	5,482,718,185
Currencies to be delivered	-	(55,103,565)	(6,443,341)	(10,433,856)	(71,980,762)
Currencies to be received	5,994,150	9,791,761	51,955,158	4,450,559	72,191,628
Net exchange position	5,994,150	(45,311,804)	45,511,817	(5,983,297)	210,866
Net Assets	291,623,394	139,207,354	2,948,368	5,383,734	439,162,850

2- Exposure to Interest Rate Risk:

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group is exposed to interest rate risk as a result of mismatches or

gaps in the amounts of assets and liabilities that mature or re-price in a given period. The Group manages this risk by matching the re-pricing of assets and liabilities through risk management strategies regularly reviewed by the asset and liability committee.

Below is the distribution of financial assets and liabilities by re-pricing time bands:

	December 31, 2015						Total
	Not Subject to Interest	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years	Over 5 Years	
	LBP'000						
Financial Assets							
Cash and deposit with Central Bank of Lebanon	225,102,695	76,059,967	-	394,848,000	81,405,000	384,303,900	1,161,719,562
Deposits with banks and financial institutions	187,121,696	213,786,152	72,607,629	27,059,625	-	-	500,575,102
Financial assets at fair value through profit or loss	47,007,807	-	-	23,751,676	116,489,039	547,535,026	734,783,548
Loans to banks	165,198	4,918,741	22,679,081	-	-	1,850,000	29,613,020
Loans and advances to customers	25,104,966	885,172,563	289,725,690	123,647,908	38,947,856	60,761,324	1,423,360,307
Due from related parties	4,745,679	-	-	-	-	-	4,745,679
Financial assets at fair value through other comprehensive income	10,827,767	-	-	-	-	-	10,827,767
Financial assets at amortized cost	33,173,066	2,745,000	153,274,877	607,236,974	227,439,140	1,124,856,579	2,148,725,636
Customer's liability under acceptances	46,638,680	-	-	-	-	-	46,638,680
Other financial assets	8,041,765	-	-	-	-	-	8,041,765
	587,929,319	1,182,682,423	538,287,277	1,176,544,183	464,281,035	2,119,306,829	6,069,031,066
Financial Liabilities							
Deposits and borrowings from banks and financial institutions	2,115,165	455,875,328	-	45,225,000	1,992,769	13,963,654	519,171,916
Customers' deposit at amortized cost	82,494,732	3,996,264,634	782,070,412	100,806,488	2,374,015	-	4,964,010,281
Liability under acceptances	46,638,680	-	-	-	-	-	46,638,680
Other financial liabilities	43,706,701	115,343	-	-	-	-	43,822,044
Cumulative preferred shares	292,343	-	-	-	22,617,953	-	22,910,296
	175,247,621	4,452,255,305	782,070,412	146,031,488	26,984,737	13,963,654	5,596,553,217
Net gap position	412,681,698	(3,269,572,882)	(243,783,135)	1,030,512,695	437,296,298	2,105,343,175	472,477,849

	December 31, 2014						
	Not Subject to Interest	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
LBP'000							
Financial Assets							
Cash and deposits with Central Bank of Lebanon	144,356,381	84,763,937	22,612,500	431,502,750	352,762,500	86,176,500	1,122,174,568
Deposits with banks and financial institutions	256,339,985	212,577,802	72,178,230	49,672,125	-	-	590,768,142
Financial assets at fair value through profit or loss	37,989,446	-	1,153,238	25,324,728	379,930,230	15,046,752	459,444,394
Loans to banks	26,753	15,012,188	-	150,000	-	2,250,000	17,438,941
Loans and advances to customers	15,329,050	897,063,353	255,384,222	125,933,353	42,796,988	36,198,721	1,372,705,687
Due from related parties	3,470,586	-	-	-	-	-	3,470,586
Financial assets at fair value through other comprehensive income	9,469,583	-	-	-	-	-	9,469,583
Financial assets at amortized cost	34,404,331	18,910,022	261,877,185	494,018,767	961,199,111	394,385,474	2,164,794,890
Customer's liability under acceptances	44,773,576	-	-	-	-	-	44,773,576
Other financial assets	6,118,380	-	-	-	-	-	6,118,380
	552,278,071	1,228,327,302	613,205,375	1,126,601,723	1,736,688,829	534,057,447	5,791,158,747
Financial Liabilities							
Deposits and borrowings from banks and financial institutions	1,829,264	361,050,897	45,225,000	47,970,000	611,884	11,425,568	468,112,613
Customers' deposit and credit accounts	36,156,102	3,984,377,990	682,451,551	177,549,316	2,971,838	-	4,883,506,797
Liability under acceptances	44,773,576	-	-	-	-	-	44,773,576
Other financial liabilities	36,696,029	-	-	-	-	-	36,696,029
Cumulative preferred shares	-	-	-	-	-	22,656,235	22,656,235
	119,454,971	4,345,428,887	727,676,551	225,519,316	3,583,722	34,081,803	5,455,745,250
Net gap position	432,823,080	(3,117,101,585)	(114,471,176)	901,082,407	1,733,105,107	499,975,644	335,413,477

43- FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table shows the fair values of financial assets and financial 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 due to the short-term maturities of these instruments:

	Notes	December 31, 2015				
		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
LBP'000						
Financial assets measured at:						
Fair value through profit or loss						
Quoted equity securities	7	8,678,940	8,678,940	-	-	8,678,940
Unquoted equity securities	7	25,129,676	-	-	25,129,676	25,129,676
Lebanese treasury bills	7	213,419,787	-	213,419,787	-	213,419,787
Lebanese government bonds	7	59,756,008	-	59,756,008	-	59,756,008
Certificates of deposit issued by the Central Bank of Lebanon	7	411,584,947	-	411,584,947	-	411,584,947
Corporate bonds		3,015,000	-	-	3,015,000	3,015,000
		721,584,358	8,678,940	684,760,742	28,144,676	721,584,358
Fair value through other comprehensive income:						
Quoted equity Securities	11	1,555,622	1,555,622	-	-	1,555,622
Unquoted equity Securities	11	9,272,145	-	-	9,272,145	9,272,145
		10,827,767	1,555,622	-	9,272,145	10,827,767
Financial assets measured at amortized cost:						
Cash and deposits with Central Bank	5	1,161,719,562	-	1,168,794,584	-	1,168,794,584
Loans and advances to customers	9	1,423,360,307	-	-	1,411,268,598	1,411,268,598
Lebanese treasury bills	12	550,396,525	-	563,729,701	-	563,729,701
Lebanese government bonds	12	867,702,427	-	870,311,670	-	870,311,670
Certificates of deposit issued by the Central Bank of Lebanon	12	668,802,936	-	687,359,481	-	687,359,481
Corporate bonds	12	19,624,780	8,021,197	-	11,909,250	19,930,447
Certificates of deposit issued by local banks	12	9,025,902	-	8,999,775	-	8,999,775
		4,700,632,439	8,021,197	3,299,195,211	1,423,177,848	4,730,394,256
		5,433,044,564	18,255,759	3,983,955,953	1,460,594,669	5,462,806,381
Financial liabilities measured at amortized cost:						
Customers' deposits and credit accounts	20	4,964,010,281	-	-	4,878,200,683	4,878,200,683
Other Liabilities	21	43,822,044	-	-	43,612,001	43,612,001
		5,007,832,325	-	-	4,921,812,684	4,921,812,684

	Notes	December 31, 2014				
		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
LBP'000						
Financial assets measured at:						
Fair value through profit or loss						
Quoted equity securities	7	9,699,851	9,699,851	-	-	9,699,851
Unquoted equity securities	7	21,995,824	-	-	21,995,824	21,995,824
Lebanese treasury bills	7	131,270,946	-	131,270,946	-	131,270,946
Lebanese government bonds	7	39,368,711	-	39,368,711	-	39,368,711
Certificates of deposit issued by the Central Bank of Lebanon	7	248,543,990	-	248,543,990	-	248,543,990
		450,879,322	9,699,851	419,183,647	21,995,824	450,879,322
Fair value through other comprehensive income:						
Quoted equity securities	11	2,415,724	2,415,724	-	-	2,415,724
Unquoted equity securities	11	7,053,859	-	-	7,053,859	7,053,859
		9,469,583	2,415,724	-	7,053,859	9,469,583
Financial assets measured at amortized cost:						
Cash and deposits with Central Bank	5	1,122,174,568	-	1,150,804,754	-	1,150,804,754
Loans and advances to customers	9	1,372,705,687	-	-	1,246,966,746	1,246,966,746
		2,494,880,255	-	1,150,804,754	1,246,966,746	2,397,771,500
Investment securities:						
Lebanese treasury bills	12	588,470,053	-	597,218,123	-	597,218,123
Lebanese government bonds	12	786,888,833	-	815,573,917	-	815,573,917
Certificates of deposit issued by the Central Bank of Lebanon	12	727,101,041	-	743,770,911	-	743,770,911
Corporate bonds	12	18,914,493	8,246,025	-	11,160,300	19,406,325
Certificates of deposit issued by local banks	12	9,016,139	-	9,045,000	-	9,045,000
		2,130,390,559	8,246,025	2,165,607,951	11,160,300	2,185,014,276
		5,085,619,719	20,361,600	3,735,596,352	1,287,176,729	5,043,134,681
Financial liabilities measured at amortized cost:						
Customers' deposits and credit accounts	20	4,883,506,797	-	-	4,838,340,719	4,838,340,719
Other financial liabilities	21	36,696,029	-	-	36,117,386	36,117,386
		4,920,202,826	-	-	4,891,788,364	4,874,458,105

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 assets and financial liabilities, are determined (Level 2 and Level 3 fair values) and significant unobservable inputs used:

December 31, 2015 and 2014

Financial Assets	Date of Valuation	Valuation Technique and key Inputs	Other Matters
At fair value through profit or loss:			
Lebanese treasury bills	December 31, 2015 and 2014	DCF at a discount rate determined based on the yield curve applicable to Lebanese treasury bonds, adjusted for illiquidity	N/A
Lebanese Government bonds	December 31, 2015 and 2014	Average market price in inactive market	N/A
Certificates of deposit issued by the Central Bank of Lebanon in Lebanese Pounds	December 31, 2015 and 2014	DCF at a discount rate determined based on the yield curve applicable to Lebanese treasury bonds, adjusted for illiquidity	N/A
Quoted equity securities	December 31, 2015 and 2014	Quoted prices in an active market	N/A
Certificates of deposit issued by the Central Bank of Lebanon in foreign currency	December 31, 2015 and 2014	Average market price in inactive market	N/A
Unquoted equity securities	December 31, 2015 and 2014	Management estimate based on unobservable input related to market volatility and liquidity	N/A
At fair value through other comprehensive income:			
Unquoted equity securities	December 31, 2015 and 2014	Fair value based on NAV	N/A
Quoted equity securities	December 31, 2015 and 2014	Quoted prices in an active market	N/A
At amortized cost:			
Cash and deposits with the Central Bank of Lebanon	December 31, 2015 and 2014	DCF at a discount rate determined based on the yield curve of Central Bank of Lebanon placements for maturities greater than one year and Libor based interbank rates for maturities less than one year by currency	N/A
Loans and advances to customers	December 31, 2015 and 2014	DCF at a discount rate extrapolated across the maturity spectrum and in line with market rates	N/A
Lebanese treasury bills	December 31, 2015 and 2014	DCF at a discount rate determined based on the yield curve applicable to Lebanese treasury bonds, adjusted for illiquidity.	N/A
Certificates of deposit issued by the Central Bank of Lebanon in Lebanese Pounds	December 31, 2015 and 2014	DCF at a discount rate determined based on the yield curve applicable to Lebanese treasury bonds, adjusted for illiquidity.	N/A
Certificates of deposit issued by the Central Bank of Lebanon in foreign currency	December 31, 2015 and 2014	Average market price in inactive market	N/A
Certificates of deposit issued by local banks	December 31, 2015 and 2014	Management estimate based on observable input in inactive market	N/A
Unquoted corporate bonds	December 31, 2015 and 2014	Management estimate based on observable input in inactive market	N/A
Quoted corporate bonds	December 31, 2015 and 2014	Quoted prices in an active market	N/A
Lebanese Government bonds	December 31, 2015 and 2014	Average market price in an inactive market	N/A

December 31, 2015

Financial Liabilities	Date of Valuation	Valuation Technique and key Inputs	Other Matters
At amortized cost:			
Deposits and borrowings from banks and financial institutions	December 31, 2015 and 2014	DCF at a discount rate determined based on the yield curve of Central Bank of Lebanon placements for maturities greater than one year and Libor based interbank rates for maturities less than one year by currency	N/A
Customers' deposits and credit accounts	December 31, 2015 and 2014	DCF based on market rates by currency and maturity bands extrapolated across the maturity spectrum and in line with sectorial rates published by Central Bank of Lebanon.	N/A
Other financial liabilities	December 31, 2015 and 2014	DCF at a discount rate determined based on the maturity spectrum and in line with market rates.	N/A

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

44- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2015 were approved by the Board of Directors in its meeting held on May 16, 2016.

ADDRESSES



ADDRESSES

HEAD OFFICE

BRANCHES

LIST OF CORRESPONDENT BANKS

LIST OF FREE-STANDING ATMS

HEAD OFFICE

FIRST NATIONAL BANK S.A.L.

Beirut Central District, Allenby Street, Bldg. Marfaa 147

Postal Code 2012 6004

P.O.Box: 11 - 435, Riad El Solh / 113-5453 Beirut

P.O.Box: 16-5192 Achrafieh, Beirut - Lebanon

Tel: (961-1) 963000 - 977040

Call Center: 1244

Fax: (961-1) 973090

Swift: FINKLBBE

Telex no. 48627 FNBB

Website: www.fnb.com.lb

E-mail: fnb@fnb.com.lb

BRANCHES

MAIN BRANCH- ALLENBY

Beirut Central District, Allenby Street, Marfaa 147 Bldg.

Tel: (01) 963000 - (01) 977040

Fax: (01) 973036

Branch Manager: Mrs. Nadine A. Zaher

ACHRAFIEH

Sassine Square, Michel Sassine Bldg.

Tel: (01) 200452-3-4

Fax: (01) 200455

Branch Manager: Mr. Eric P. Vasdekis

ALEY

Bakaa Street, Riyad Fakh Center

Tel: (05) 556020-1-3

Fax: (05) 556022

Branch Manager: Mr. Firas A. Abi Farraj

ANTELIAS

Internal Main Road, Hage Center

Tel: (04) 419323-4-6-8

Fax: (04) 419327

Branch Manager: Mrs. Aline A. Ayoub

BAALBECK

Main Road, Douress Exit, Lakkis Bldg.

Tel: (08) 378701-2-3-4

Fax: (08) 378705

Branch Manager: Mr. Mohamad S. Shreif

CHOUEIFAT

Old Saïda Road (Deir Koubel Exit), Ismail Haidar Bldg.

Tel: (05) 433720-1-2

Fax: (05) 433723

Branch Manager: Mr. Fouad H. Hamadeh

GHAZIR

Main Road, Kfarhabab, Zone Jaune

Tel: (09) 856271-3-4-5

Fax: (09) 856279

Branch Manager: Mrs. Maya N. Nasr

HALBA

AL Saha, Masoud Center

Tel: (06) 693661-2-7

Fax: (06) 693665

Branch Manager: Mr. Abed S. Chami

HAMRA

Hamra Street, Immobilia Bldg.

Tel: (01) 738502-3 - (01) 738499 - (01) 340440 - (01) 354799

Fax: (01) 749894

Branch Manager: Mrs. Rola S. Zaghloul

HARET HREIK

Hadi Nasrallah Road, Abou Taam bldg.

Tel: (01) 548222- (01) 548333 - (01) 548444

Fax: (01) 276516

Acting Branch Manager: Mr. Fadi A. Cheaib

HAZMIEH

Main Road, Chami Bldg.

Tel: (05) 455673-4-6-7

Fax: (05) 457838

Branch Manager: Mr. Jean G. Chehadeh

HORCH TABET

General Chehab Street, Sin el Fil, ESLA Center

Tel: (01) 495710-1-2

Fax: (01) 495713

Branch Manager: Mr. George J. Naoum

JAL EL DIB

Abouna Hanna Street, Mallah-Yammine Center

Tel: (04) 725882-3-4

Fax: (04) 725881

Branch Manager: Mr. Elie E. Al Asmar

JDEIDEH

La Sagesse Street, FNB premises

Tel: (01) 870151 - (01) 870164 - (01) 894007

Fax: (01) 898007

Branch Manager: Mrs. Nathalie V. Saloumi

JDEITA

Main Road, Naim Nassar Bldg.

Tel: (08) 542200-1-2-3-4

Fax: (08) 542205

Branch Manager: Mr. Mohamad H. Chokr

JNAH – MARRIOTT

Internal Main Road, Golden Tulip Galleria Hotel

Tel: (01) 858310-1-3

Fax: (01) 858312

Branch Manager: Mr. Hussein G. Fakhreddine

JOUNIEH

Fouad Chehab Street (Serail), Al Turk Bldg.

Tel: (09) 645001-2-5

Fax: (09) 645003

Branch Manager: Mr. Tanios E. Aoun

MAIS AI JABAL

Main Road, Blida, Hicham Attieh Haydoura Bldg.

Tel: (07) 865800-1-3 - (03) 399334

Fax: (07) 865802

MAZRAA

Main Road, Khaled Al Ashi Bldg.

Tel: (01) 314339 - (01) 314340 - (01) 305219 - (01) 305220

Fax: (01) 302527

Branch Manager: Mrs. Rania M. Qubaa

MAZRAAT YACHOUH

Main Road, Elissar, Irani Bldg.

Tel: (04) 928560-1-2-3

Fax: (04) 928570

Branch Manager: Mrs. Nada A. Kanj

NABATIEH

Main Road, Habboush, Haidar Center

Tel: (07) 531980-1-2

Fax: (07) 531983

Branch Manager: Mr. Hassan I. Ghosn

SAIDA

Jezzine Street, Deckerman Area, Golden Tower Bldg.

Tel: (07) 727701-2-3

Fax: (07) 727704

Branch Manager: Mr. Ghassan R. Abou Zahr

TARIK JDIDEH – SABRA

Main Road, Sabra Street, Ajlan & Zein Bldg.

Tel: (01) 843801-2-3

Fax: (01) 843804

Branch Manager: Mrs. Luma S. Zarief

TRIPOLI

Jimayzat Street, Sahat El Nour, Moujamaa Tripoli Bldg.

Tel: (06) 432974 - (06) 434974 - (06)447539

Fax: (06) 431713

Branch Manager: Mr. Ahmad Saoud A. Hajar

VERDUN

Rachid Karami Street , Omar Saab Bldg.

Tel: (01) 355901-2-3

Fax: (01) 355904

Branch Manager: Mr. Wajih S. Akkari

ZOUK MOSBEH

Main Road , Jeita Exit

Tel: (09) 225534-6-7-8

Fax: (09) 225539

Branch Manager: Mr. Elie H. Khalil

LIST OF CORRESPONDENT BANKS

COUNTRY	INSTITUTION NAME
Algeria	Arab Bank PLC Arab Banking Corporation Algeria Algeria Gulf Bank
Australia- Sydney	Westpac Banking Corporation
Austria	Commerzbank UniCredit Bank Austria AG
Bahrain	Arab Banking Corporation (BSC)
Belgium- Brussels	ING Belgium SA/NV KBC Bank NV
Brazil	Banco ABC Brasil SA
Canada	Commerzbank
China	Bank of China Limited Deutsche Bank Industrial & Commercial bank of China Limited Standard Chartered Bank The Bank of New York Mellon
Czech Republic	Commerzbank
Denmark- Copenhagen	Danske Bank A/S
Egypt	National Bank of Egypt
Finland-Helsinki	Danske Bank
France	Commerzbank Al Khaliji France SA Banque SBA UBAF
Germany	ABC International Bank PLC Commerzbank AG Deutsche Bank AG
Hong Kong	Standard Chartered Bank UBAF
Hungary	Commerzbank
India	MashreqBank
Iraq	Rafidain Bank Trade Bank of Iraq
Italy	Intesa Sanpaolo SpA Banca UBAE SpA Unicredit SpA
Japan	Commerzbank The Bank of New York Mellon UBAF
Jordan	Arab Bank PLC Cairo Amman bank Jordan Kuwait Bank The Housing Bank For Trade and Finance
Kingdom of Saudi Arabia	Riyad Bank Saudi Hollandi Bank
Kuwait	Gulf Bank KSCP National Bank of Kuwait SAKP
Norway - Oslo	DNB Bank ASA
Oman	Bank Muscat SAOG
Qatar - Doha	Doha Bank Qatar National Bank SAQ

Republic of Korea	UBAF Woori Bank
Singapore	Commerzbank The Bank of New York Mellon UBAF
Spain	Banco de Sabadell SA Banco Bilbao Vizcaya Argentaria S.A CaixaBank SA Deutsche Bank SAE
Sri Lanka – Colombo	People’s Bank
Sweden	Skandinaviska Enskilda Banken AB
Switzerland	Credit Suisse AG UBS AG
Taiwan	The Bank of New York Mellon
Turkey	AKbank TAS AlternatifBank AS Turkiye Is Bankasi AS
UAE	Emirates NBD PJSC InvestBank PSC MashreqBank PSC
UK	ABC International Bank PLC Barclays Bank PLC Commerzbank Standard Chartered Bank The Bank of New York Mellon
USA	Standard Chartered Bank The Bank of New York Mellon

LIST OF FREE-STANDING ATMS

ATM	ADDRESS
Baalbeck	Rayyan Hospital
Beirut	Adlieh, Surete Generale premises, Bldg. 1
Beirut	Museum , Surete Generale premises, Bldg. 3
Beirut	Clemenceau Street, Weaver Center, CFC Bldg.
Beirut	Gemmayzeh, Electricite du Liban premises
Beirut	Hamra, Makdessi Street
Bekaa	Rayyak Hospital, Main Entrance
Dekwaneh	Nasr Market, Slave Street, Hagop Kichichian Bldg.
Kessrouan	Ghineh Municipality
Kesrouan	Aintoura, College Saint Joseph
Mount Lebanon	Mkalles, OTV Premises
North Lebanon	Kadisha, Electricite du Liban Premises
Roumieh	Daher El Bachek Hospital
Saida	OIJ Market, Lebanese University Street
Zouk Mosbeh	Electricity plant, Administration Bldg.

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