

OPERATIONS AND GOVERNANCE



YEAR IN REVIEW

Byblos Bank overcame a variety of challenging circumstances in 2012, demonstrating once again the resilience and adaptability of its business model. With stubborn problems continuing to slow the global economy and political uncertainty plaguing Lebanon and other parts of the Middle East and North Africa (MENA) region, the Bank stood by both its conservative strategy and its strong customer focus. As other banks struggled to survive the storm, Byblos Bank used its risk-averse approach, sensible credit policies, robust liquidity levels, and strong capital adequacy to preserve its solid financial position. This leaves it primed to take full advantage – and to help all its stakeholders do the same – when conditions improve.

CUSTOMERS

PUTTING THE CLIENT FIRST

Customer satisfaction is a function of several factors, with the overall priority being to ensure that each and every interaction with Byblos Bank is as pleasant and productive as possible. This requires constant attention on several fronts, from careful recruiting and specialized training to product design and technology upgrades. These and other steps are designed to provide an unparalleled customer experience that never stops improving – and keeps reminding our clients why they choose Byblos Bank.

The Bank expanded its leadership role in Lebanon's retail banking sector in 2012, introducing new products and services, adding attractive features to existing ones, and adopting innovative approaches to build and retain the loyalty of our customers. Branch restructuring (i.e., branch amalgamation or relocation) was carried out at several regions. Furthermore, Byblos Bank extended its E-Branch services to other branches in selected regions, thus allowing customers to use ATMs for cash and check deposits, 24 hours a day, seven days a week. The Bank also developed plans to increase the usage of its Online Banking services, which makes it easier for customers to control and monitor their accounts, and to carry out transfers between these accounts or to third-party accounts at the Bank. In addition, the Bank has begun preparations to enable its customers to transfer to accounts at other banks, and to develop Corporate Online Banking services, which will allow companies to make online transactions, and enable them to apply their company workflow approvals, in addition to innovative packages. All these innovations are aimed at putting the Bank at the forefront of banking technology but also at transforming our branches into advice and consultancy centers to better engage with our customers by providing even more personalized service.

Byblos Bank also introduced "ByblosPriority," a special high-end program catering to the needs of our VIP clients. Accordingly, we scaled up our competitiveness in this segment of the market by putting together an exclusive package of premium services, products and privileges. In addition, the Bank continued to offer the latest in deposit-structured products for retail investors, including five-year step-up deposits marketed through our branch network. And in April 2012, Byblos Bank entered into a partnership with American Express Middle East to start offering its wide variety of cards.

The past year was also a highly successful one for Byblos Bank's widely acclaimed Card Loyalty Program, which covers all of the Bank's market base credit, charge, and debit cards, allowing cardholders to accumulate points redeemable for free air travel, the latest electronic devices, support for reforestation efforts, and other rewards. These and other innovations are part of an all-day, every-day effort to maximize cardholder usage and satisfaction.

FOLLOWING UP ON PERFORMANCE

For more than a decade, Byblos Bank has been conducting or commissioning customer satisfaction surveys in order to ensure that its products and services are achieving the desired results in terms of meeting the needs and expectations of its clientele. In 2012, a study carried out for the Bank by the Pan Arab Research Center found an overall satisfaction rate of 98%, an increase of 3% on the previous year. At the same time, for the 10th consecutive year, the Bank carried out a mystery shopping program to gauge the performance of our staff and keep it at the highest level. Some 575 visits, covering every branch in Lebanon, took place as part of this effort, with each visit followed by a detailed report highlighting strengths and weaknesses in overall service and proposing corrective measures to improve the customer experience.

In addition, the Bank has created a dedicated Customer Care Unit tasked with monitoring customer service and tending to all satisfaction-related issues. Among the functions related to this mission are the sending of a Welcome Survey to each new account-holder to rate his or her overall satisfaction; the monitoring of all suggestions and other feedback from clients; contacting all customers who have voiced concerns with overall service; and following up on the resolution of any complaints or other problems.

SHARING OUR EXPERIENCE WITH BUSINESS

Byblos Bank continued to provide world-class commercial banking services in 2012, supplementing its outstanding products and services with expert advice for clients operating in numerous sectors and geographical areas during a time of economic uncertainty. Drawing on long experience that is both broad and deep, our approach features teams of experts specializing in all manner of solutions, from syndication and project finance to real estate and agriculture finance. Still, our main area of focus and expertise remains dedicated to the financing of Contracting, Manufacturing and Trade businesses, in which the Bank holds dominant positions.

Our commercial bankers include multi-skilled individuals with extensive experience in both lending and engineering, all of whom pride themselves on their ability to stay in touch with the Bank's market base.

With decades of experience in financing both large companies and small- and medium-sized enterprises in many parts of the economy, Byblos Bank offers more than the usual conventional banking services: it is also qualified to assist clients in taking strategic decisions, designing and carrying out restructurings, and building and monitoring cash-flow projections.

The slowdown experienced in 2012, including difficult conditions in several key markets, is expected to continue in the coming year. Nonetheless, the Commercial Banking Division expects to meet its 2013 growth objectives by sticking to what has always worked to surmount similar obstacles in the past: forward-looking strategies aimed at mitigating risks, diversifying revenue sources at home and abroad, and constantly improving customer relationships.

TAPPING THE MARKETS

Byblos Bank's Capital Markets team chalked up several milestones in 2012, adding to its already sterling reputation as a skilled operator capable of engineering effective solutions for both its own financing needs and those of the Lebanese state.

In March 2012, Lebanon's Finance Ministry mandated Byblos Bank and Bank of America Merrill Lynch to serve as co-Lead Managers for the issuance of Eurobonds in the amount of USD 700 million to refinance

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two earlier notes that had been scheduled to mature in March and April. Both tranches were heavily oversubscribed, so the Republic of Lebanon ended up issuing a USD 950 million dual-tranche Eurobond: a USD 600 million bond maturing in October 2017, and a USD 350 million bond maturing in 2026.

A similar but even larger transaction took place in November, with Byblos Bank serving as one of the Lead Managers. A total of USD 1.52 billion in Eurobonds had been scheduled to mature in 2013, including a USD 875 million in March and USD 650 million in June. The Lebanese Republic offered three new issues: a USD 525 million Eurobond maturing in November 2018; a USD 500 million Eurobond maturing in January 2023; and a second USD 500 million Eurobond maturing in November 2027. The 6% coupon rate on the January 2023 bond set a record as the lowest-ever interest rate for a Lebanese Eurobond with a maturity of 10 years or longer.

The following month, an Extraordinary Assembly of Byblos Bank S.A.L. approved the issuance of a 10-year convertible bond of up to USD 300 million that carries a coupon rate of 6.5% to be paid quarterly, maturing in 2022. Subscribers have the right to convert their holdings, in whole or in part, into common shares or into Global Depository Receipts (GDRs) during each year of the bond's life. Subscribers to the bond also have pre-emptive rights to subscribe to any future capital increase by Byblos Bank as well as to any new issue of convertible loans or convertible bonds by the Bank. The new bond was designed to provide funds for the Bank to maintain high solvency ratios in accordance with Basel III requirements, to obtain long-term funding at acceptable rates, to replace notes that had been set to mature in late 2012, and to finance its growth in domestic and foreign markets. As a result of the new issuance, the Bank's Tier 1 and Tier 2 capital rose to USD 1.855 billion.

GUIDANCE FOR THE BYBLOS BANK FAMILY ABROAD

As the body responsible for managing and developing the relationship between Byblos Bank S.A.L. and the Group's foreign entities, the International Network Division proved its worth on many levels in 2012. Among the Division's many contributions during the year were the development of new procedures, the carrying out of surveys to help improve service quality, onsite support, and closer day-to-day follow-up on sales targets and operations to help the foreign entities meet their budgets. These and other efforts culminated in a general meeting that brought together the heads of all foreign entities with Byblos Bank S.A.L. executives for a discussion and exchange of views on the challenges facing our overseas operations.

Although 2012 was even more difficult than 2011 in most of the countries where Byblos Bank has a presence, several bright spots emerged during the year. Our Iraqi operations, for example, were able to expand and started acting as a correspondent bank for prominent foreign banks to serve them in local currency. Also, new relationships were formed with multinational companies operating in Iraq. For their part, our Representative Offices in Nigeria and Abu Dhabi reinforced their teams in order to better serve their growing clienteles. The Nigerian office relocated to new premises on Victoria Island during 2012, while the Abu Dhabi one finalized plans to move into the luxurious Sky Tower, on Reem Island, by February 2013. Both new offices are prestigious addresses that better reflect Byblos Bank's status. Meanwhile, our newest subsidiary in the Democratic Republic of the Congo stabilized its operations by implementing Byblos Bank standards and was therefore able to achieve growth in several areas.

In the coming year, the Division looks forward to further developing existing Byblos Bank foreign entities – and to entering new markets.

EMPLOYEES

INVESTING IN OUR MOST PRECIOUS ASSETS

The Human Resources Division achieved a variety of milestones in 2012, using proven techniques to recruit, develop and retain happier, healthier and more productive members of the Byblos Bank team. From training and career planning to benefits and core values, we continued to supply our employees with the tools, knowledge and professional work environment they need to provide superior service.

Key steps taken in the past 12 months have included the successful implementation of e-performance throughout the Bank, the adoption of medical centers to better assist our employees with their healthcare needs, progress in reducing absenteeism, and the implementation of a new Group life insurance plan. Having defined Byblos Bank's core values as Customer Focus, Performance, Teamwork and Integrity, we integrated these values into the very first stages of the recruitment process. We also provided opportunities for employee learning and development, with emphasis on effective management and leadership, better productivity, and providing career opportunities to our high performers.

COMMUNITIES

HUMANIZING OUR CAPITAL

Byblos Bank's vision of Corporate Social Responsibility (CSR) revolves around the humanization of capital in order to increase the amount of social, economic and other opportunities open to individuals and their communities. Education, Culture and the Environment have long been among the pillars of this effort, but now our focus on them is stronger than ever as we strive to increase the impact of our CSR work. For the same reason, while Byblos Bank continues to endorse and sometimes support independent initiatives that are in keeping with our strategy, we increasingly design and implement more of our own activities in order to reach the goals in which we believe, for instance by providing greater access to education for Lebanese youth and ensuring more exposure for talented young photographers.

This approach reflects not only how Byblos Bank does business, but also how we see the world in general and Lebanon in particular. With so much gloom surrounding both the Lebanese situation and global economic problems, therefore, we felt the need to spread an opposite message, one of confidence and hope. The result was "Live with Optimism", a corporate advertising campaign launched in late 2012 that urges people to recall the positive side of things, especially the innate strength and kindness of the Lebanese. The message focuses on what makes this country a great place in which to live and work – and on the helpful, can-do spirit that will keep it that way.

PUTTING YOUNG PHOTOGRAPHERS IN FOCUS

A new tradition was born in July 2012 with the launch of the Byblos Bank Award for Photography in conjunction with the Beirut Art Fair, an international exhibition of modern and contemporary art. The award is the latest expression of the Bank's determination to ensure the survival and expansion of Lebanon's domestic art output. Regardless of the genre, Byblos Bank views art as a timeless and immutable expression of national culture, something made even more important by all that Lebanon has withstood in the past, all the challenges it faces in the present, and all the hopes its people share for the future.

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In particular, the award was established in hopes of furthering the discovery and development of new talent by rewarding excellence and innovation in the work of a Lebanese photographer aged 18 to 45. The prize is bestowed annually, following a rigorous selection process, to a worthy candidate whose abilities merit exposure and promotion in the public eye.

The honor of receiving the first Byblos Bank Award for Photography went to Dory Younes, a young amateur photographer whose work demonstrated both unusual talent and significant potential. The Bank puts its weight behind the winner by showcasing the artist's work in both his first catalog and an exhibition of his photographs at its Headquarters in Ashrafieh. The 2013 version of the prize will be awarded during this year's edition of the Beirut Art Fair, scheduled for September.

The award was just part of Byblos Bank's broader efforts to promote the abilities and artistry of Lebanese photographers, often by combining this focus with other worthy causes. In January, the Bank lent support to the Children's Cancer Center of Lebanon (or CCCL, affiliated with the famous St. Jude Children's Research Hospital in Memphis, Tennessee, USA) by sponsoring PREY, an impressive exhibition by photographer Michel Zoghzoghi. The show was the result of five years of expeditions around the world in order to depict predators in their natural habitats, and all proceeds from sales of photos went directly to the CCCL. We also supported the publication and marketing of "Prey", the book version of the exhibition. Proceeds from the volume went to the CCCL and Anta Akhi, a charitable organization that helps meet the needs of young adults affected by physical and mental disabilities.

In May, the Bank helped bring off another event, Night Collective, which showcased the work of promising amateur photographers from different backgrounds. The photos on display were selected from an extensive assembly of images by photographers who organized a series of outings to record nighttime images from areas across Lebanon.

In addition, the Bank teamed up with the French Cultural Institute to bring off exhibitions trumpeting the very different but equally creative works of two emerging talents: "One Week in Cairo," by Roy Samaha, and "Ether," by Rima Maroun. And to help develop further such stars in the future, we joined with the Ayadina Association for a program designed to introduce photography to underprivileged children who might not otherwise get a chance to discover and develop their abilities. The training, provided to youngsters aged 8-14, runs from October 2012 to June 2013, when it wraps up with an exhibition of the children's best photographs.

HONORING LOCAL PAINTERS

May 2012 saw Byblos Bank host both a book-signing ceremony and an exhibition by Hrair, widely regarded as being among the most talented Lebanese artists of modern times. Both the book, "Hrair," and the event, "Splendor in color," paid tribute to the long and productive career of a true original. In July, it was the turn of an emerging artist, Rawia Zantout, to have her show, "La beauté du printemps" ("The beauty of spring"), hosted by the Bank. Part of the proceeds of this exhibition went to Tamanna, a non-profit association that grants the wishes of children with critical illnesses.

During the summer, the Bank also sponsored the first major retrospective of the influential Lebanese artist Khalil Saleeby (1870 -1928) at AUB Art Gallery. One of the founders of modern art in Lebanon, Saleeby also studied, worked and exhibited in other countries, including the United States, France and the United Kingdom. The exhibition was drawn from a major private collection of Lebanese art that had been donated to AUB earlier in the year.

In November, we hosted yet another event, this time cooperating with the Hamazkayin Lucy Tutunjian Art Gallery for “Avec le temps” (“With time”), an exhibition by renowned artist Krikor Norikian, at Byblos Bank Headquarters.

CULTIVATING CULTURE

Byblos Bank extended vital support to a wide variety of cultural events and initiatives throughout 2012, increasing appreciation of many of the treasures – past and present – that make Lebanon what it is. In September, the Bank sponsored the Gibran Khalil Gibran National Committee Awards, which honored prominent figures who have made key contributions to Lebanon’s cultural evolution.

In addition to the aforementioned “Prey”, support was made available, too, for “Art from Lebanon” a book by Nour Abillama and Marie Tomb that fills an important gap by showcasing the beautiful work of Lebanon’s pioneers in painting and sculpture, especially since the country does not yet have an art museum. Another beneficiary of the Bank’s assistance was “Au Pays de l’Emir”, a book by Dr. Hareth Boustany. The work is translation into French of a famous book completed in 1940 by Dr. Fouad Ephrem Al Boustani. It recounts revealing stories about Al Amir Bachir Ash Shéhabi, one of Lebanon’s most important historical figures, and features old pictures and engravings related to the places and characters involved.

Byblos Bank also sponsored “Deir Al Kalaa,” a group-authored tome about the home of a famous monastery located to the north of Beit Mery in Metn. The Antonine Fathers have maintained a permanent presence at the monastery since the 18th century and have recently finished a lengthy renovation process, one that was instrumental in shedding light on the cultural importance of the monastery and the ruins that surrounds it. The volume uses both text and pictures to share the storied past of a site that has been witness to significant historical events since the Phoenician era.

PRESERVING LEBANON’S HERITAGE FOR FUTURE GENERATIONS

Byblos Bank has long been a generous benefactor of campaigns to protect Lebanon’s rich heritage, and this tradition continued in 2012, including a donation of some USD 2 million to the Municipality of Jbeil, the modern-day site of Byblos, one of the oldest communities in the world. The funds will be used to help restore the Byblos Souks and hence contribute to the preservation of this ancient site, with work expected to be completed in 2013.

Also in 2012, the Bank backed the efforts of Lebanon’s Association for the Protection of National Sites and Old Buildings (known by its French-language acronym, APSAD) to raise awareness about the importance of historical structures with a high-profile event held at the Grand Serail in Beirut.

EDUCATION IS EVERYTHING

As a big believer in the irreplaceable benefits of learning, Byblos Bank continues to help ensure access to educational opportunities for students of all ages. Throughout the year, we maintained our partnerships with several schools and universities, with special focus on helping ensure access to education for qualified youth.

Byblos Bank also was proud to continue its three-year University Loans Program, a partnership launched in 2010 with the Agence Française de Développement, which has seen the Bank help further the studies of students from nine institutions of higher learning in Lebanon. The loans are denominated in Lebanese Pounds and are granted for durations of up to 18 years starting from

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the student's first year of study. The credit granted can cover up to 75% of a student's tuition fees, subject to a maximum loan amount of LBP 15 million per year. Approximately 73% of students receiving these loans were in their first year of study, and as at 30 December 2012, their primary areas of study were architecture and civil engineering (32%), medicine and pharmacology (27%), business (26%), and with others totaling 15%. As at the same date, the Bank had authorized more than LBP 29.3 billion (equivalent to EUR 15 million) in loans under the program.

For the third year in a row, the Bank also sponsored the annual mini-marathon organized by MySchoolPulse, which helps finance the education of children whose severe illnesses prevent them from attending regular classes. Keeping up the pace of learning during treatment and recovery is crucial for the children in order for them to resume normal lives.

And for the second year in a row, Byblos Bank also continued its support for "Your Entrepreneurship Project," which recognizes and rewards young business talent. Organized in conjunction with the Kafalat business loan program and the Antonine University's Faculty of Business Administration, the contest helps young students acquire the knowledge and attitudes they need to compete in the modern economy.

The Bank endorsed in 2012 Mobarat Al Ouloum, a science fair and national contest organized by the National Association for Science and Research in Lebanon among students across the country to unleash their innovation and creativity skills in science related inventions.

HERE AND THERE

As ever, Byblos Bank continued to lend a hand in variety of ways, including participation in fundraising events for a number of non-governmental organizations to help them carry out their various functions in the community. Once again, the Bank sponsored the Sourat Festival, an annual gathering that pays homage to the Batroun village's rich history and stately oaks. And for the 27th time, we took part in Child's Week, an annual event run by the Association for the Protection of Lebanese Children. The Bank also partnered with CHANCE, an association that funds the treatment of child cancer patients, for a fundraising event on Father's Day 2012.

ENVIRONMENT

In 2012, we continued to sponsor "Hayda Lebne", a daily program on LBCI Television, and we focused on trees and flowers typical to Lebanon, as well as on the country's long-celebrated mountains. In addition, the Bank sponsored the Jabal Moussa Flower Guide, edited by the renowned Georges and Henriette Tohmé, and published by the Association for the Protection of Jabal Moussa.

After extensive planning and preparation, 2012 saw the launch of the "Bgreen" initiative aimed at measurably reducing the environmental impact of Byblos Bank Headquarters. This initiative included the designation of Bgreen champions among employees, as well as the following elements:

SAVING ENERGY

- Replacement of most conventional lamps at Headquarters with energy-saving ones;
- Pictogram displays to remind employees to switch off the lights on all floors when they leave in the evening, and in bathrooms when not in use;

- Installation of a new Building Management System to monitor air quality and electricity consumption;
- Installation of a new-generation HVAC system (VRF) to reduce energy use by providing cool air to remote floors operating late at night.
- Central control of the heating and air conditioning system, as well as door closing to maintain the temperature on individual floors;
- Implementation of an automatic power-saving mode for computer screens and printers.

RECYCLING PAPER AND PLASTIC

- Reducing the usage of paper and encouraging paper recycling. For this, special bins were placed next to each printing machine, with accumulated paper then collected by a recycling association;
- Recycling plastic bottles. The process starts with the collection of bottles on each floor in special bins before sending them for recycling in coordination with a specialized company.

CONSERVING WATER

- Dual flush converters were installed in all toilets, and employees were instructed on how to save water by using them correctly;
- Replacement of all flow restrictors in kitchen and bathroom faucets to reduce water usage.

ADVOCACY

A STRONG VOICE FOR BETTER BANKING, SANER GOVERNMENT

Good corporate citizenship is a key plank of Byblos Bank's CSR strategy, and as German novelist Gunter Grass famously put it, "the job of a citizen is to keep his mouth open." Accordingly, the Bank makes regular use of its high profile in order to protect and promote responsible behavior, not just in the financial services industry, but also in the management of public finances. With more than half-a-century of experience and three terms as head of the Association of Banks in Lebanon under his belt, it is only natural that the Bank's Chairman, Dr. François Bassil, has been the primary enactor of this crucial advocacy role. He continued to do so in 2012, using a variety of platforms to spread several useful messages, including the very common-sense notions that the Lebanese state must learn to live within its means – and to work with the private sector.

On several occasions in 2012, Dr. Bassil renewed his warnings about the size of Lebanon's public debt, adding that while the country's banks would continue to help by rolling over existing bonds, they would no longer extend new credit to the state. To get hold of the situation, he called for a series of structural and other reforms, including more transparency to help cut spending and waste, better tax collection to boost revenues and avoid far higher rates that scare off investors, and greater public/private partnerships in addressing one of the country's most stubborn problems, a chronic power shortfall.

He also urged his fellow bankers to be more stringent in observing both best practice and regulatory requirements. In an interview with Beirut's Daily Star newspaper, Dr. Bassil stated that "Lebanese banks should [be] more vigilant when it comes to dealing with suspicious persons who may be involved in illegal activities that could hurt the sector and the reputation of the country."

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GOVERNANCE

PRACTICING WHAT WE PREACH

It is not enough, of course, to merely advocate responsible behavior; one also must live up to one's own stated ideals by setting an example for others. Byblos Bank endeavors to follow the latter course by adhering to the highest possible standards of corporate governance, a strategy that serves the long-term interests of all our stakeholders.

Internally, the Bank constantly reviews and updates policies and procedures to ensure full compliance with regulators in all the markets where we have a presence, and to reap the rewards of best practice as defined by the most authoritative international guidelines. All members of our team receive instruction in these areas, including training in how to apply the relevant rules to a given situation.

On the external level, Byblos Bank strives to meet the same lofty performance standards, particularly in terms of the accuracy and transparency of the information we provide to our stakeholders. This policy helps maintain the confidence of customers, employees and investors that their interests are in good hands. It also communicates the right message to the broader public, namely that Byblos Bank is a trustworthy and reliable partner.

World-class governance is the best starting point for the conduct of risk management, one of the key ingredients in the Bank's ability to deliver the consistent and sustainable results that our stakeholders have come to expect. The overriding priority here is to protect the Group's financial strength, a mission we carry out each and every day by heeding sound principles. These include controlling risks at the individual and portfolio levels, as well as in aggregate, across all risk types and businesses; safeguarding the Group's reputation and our client information; aiming for maximum ethical behavior in all of our business dealings; providing objective, all-inclusive, and fully transparent risk disclosure to the Board of Directors, to senior management, regulators, rating agencies and other interested parties; and the maintenance of an independent risk control process through an independent risk management structure.

Going forward, Byblos Bank's objective is to retain its current strategy and areas of focus but to increase the impact of its activities, in part by updating the tools and methods it uses to reach its goals. The coming year will see the Bank continue to develop a more systematic approach to CSR by making more and better use of relevant performance indicators and the latest reporting procedures.

PROFILES OF BOARD OF DIRECTORS MEMBERS



DR. FRANÇOIS S. BASSIL

Lebanese, born in 1934. Holder of a Doctorate in Law from Louvain University in Belgium. Has been working in the banking sector since 1962. Contributed to establishing Byblos Bank S.A.L., where he currently holds the positions of Chairman of the Board of Directors and General Manager. Is also Chairman of the Board of Directors of Byblos Bank Africa. Also sits on the Boards of Byblos Bank Europe, Byblos Bank Syria, and Byblos Bank Armenia. In addition, serves as Chairman of the Board of Directors and General Manager of Byblos Invest Holding Luxembourg. Has served three terms as Chairman of the Board of Directors of the Association of Banks in Lebanon and remains a Member of the Board*.



MR. SEMAAN F. BASSIL

Lebanese, born in 1965. Holder of a BA from Boston University in the US and an MBA from Cambridge University in the UK. Has been working in the banking sector since 1990. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1992, acting as Vice-Chairman of the Board and General Manager since 2000. Also serves as Chairman of the Board of Byblos Bank Syria and as a Member of the Board of Byblos Bank Europe and Vice-Chairman of the Board of Byblos Bank Africa.



H.E. MR. SAMI F. HADDAD

Lebanese, born in 1950. Holder of a Master's Degree in Economics from the American University of Beirut. Pursued higher studies at University of Wisconsin-Madison in the US. Former Lebanese Minister of Economy. Started working in the private banking sector in 1973 and as a consultant to the Governor of the Lebanese Central Bank in 1979. Then joined the International Finance Corporation (IFC), where he assumed several positions, the most recent one being Manager of the Middle East and North Africa region. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2009. Also serves as Chairman and General Manager of both Byblos Invest Bank S.A.L. and Adonis Insurance and Reinsurance Co. S.A.L. (ADIR), and as a Member of the Board of Byblos Bank RDC.

* Dr. François S. Bassil was elected as Chairman of the Board of Directors of the Association of Banks in Lebanon again on 5 July 2013.

PROFILES OF BOARD OF DIRECTORS MEMBERS



H.E. MR. ARTHUR G. NAZARIAN

Lebanese, born in 1951. Holder of a Degree in Textile Engineering from Philadelphia University in the US. Member of the Lebanese Parliament since 2009 and former Minister of Tourism and of Environment. Is an entrepreneur at the helm of several companies in Lebanon and the Gulf. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2006 and serves as a Member of the Risk, Compliance, Anti-Money-Laundering and Combating the Financing of Terrorism Committee affiliated to the Board. Also serves as a Member of the Board of Directors of Byblos Bank Armenia.



BARON GUY L. QUADEN

Belgian, born in 1945. Holder of a PhD in Economics from Liège University in Belgium. Also served as dean of the Faculty of Economy, Management and Social Sciences at Liège University. Joined the Board of the National Bank of Belgium in 1988 and was Governor thereof from 1999 to 2011. Has produced numerous economic publications and articles, and holds, in addition to the title of Baron, several Belgian and French medals. Has been on the Board of Directors of Byblos Bank S.A.L. since April 2012. Also sits on the Board of Byblos Bank Europe.



PROPARGO

A development financial institution whose mission is to encourage private investments in emerging and developing countries. PROPARGO is a shareholder in the capital of Byblos Bank S.A.L. The Agence Française de Développement (AFD), which is affiliated to the French government, owns 59% of PROPARGO's capital, which is estimated at EUR 420 million. PROPARGO has been represented on the Board of Directors of Byblos Bank S.A.L. by its Deputy Chief Executive Officer, Mrs. Marie-Hélène Loison, since April 2012.

**MR. AHMAD T. TABBARA**

Lebanese, born in 1940. Holder of a BA from the American University of Beirut. Worked as a consultant to former Prime Minister Salim el Hoss. Is an entrepreneur with shares in a number of family businesses and social initiatives, including the Toufic Tabbara Cultural Center. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1999 and also serves as a Member of the Audit Committee affiliated to the Board.

**MR. BASSAM A. NASSAR**

Lebanese, born in 1965. Pursued his higher studies at both the London School of Economics in the UK and Harvard Business School in the US. Is an entrepreneur with major holdings in a number of private companies in Nigeria. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1992, and serves as President and Member, respectively, of the Audit Committee and the Risk, Compliance, Anti-Money-Laundering and Combating the Financing of Terrorism Committee, both of which are affiliated to the Board. Also serves as Chairman of the Board of Byblos Bank Europe and as a Member of the Board of Byblos Invest Holding Luxembourg.

**MR. FAISAL M. ALI EL TABSH**

Lebanese, born in 1948. Holder of a Business Degree from the American University of Beirut. Is an entrepreneur and owner of M.A. Tabsh Company in Saudi Arabia. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2000. Is also a Member of the Boards of Byblos Invest Holding Luxembourg and Vice-Chairman of the Board of Byblos Bank Europe.

PROFILES OF BOARD OF DIRECTORS MEMBERS



MR. ABDULHADI A. SHAYIF

Saudi Arabian, born in 1948. Pursued his studies in Economics at the American University of Beirut. Has been working in the banking sector since 1974, since which time he has assumed several top positions in the financial sectors of various Arab countries, most notably that of General Manager of National Commercial Bank – Jeddah. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2006. Also serves as Head of the Risk, Compliance, Anti-Money-Laundering and Combating the Financing of Terrorism Committee and as a Member of the Audit Committee, both of which are affiliated to the Board.



MR. HENRY T. AZZAM

Lebanese, born in 1949. Holder of a PhD in Economics from the University of Southern California in the US. Has been working in the financial sector since 1981. Has assumed key positions with major financial companies in Lebanon and other parts of the Arab world, including Deutsche Bank Dubai. Is well-versed in the money and banking markets and has issued publications and articles revolving around the financial world. Has been on the Board of Directors of Byblos Bank S.A.L. since April 2012.



MR. ALAIN C. TOHMÉ

Lebanese, born in 1962. Holder of an MBA from Boston College in the US. Started working in the banking sector in 1985. Has assumed several positions at Byblos Bank S.A.L., the most recent having been Deputy General Manager, Head of Group Commercial Banking Division, until he resigned in 2011. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since May 2011 and serves as a Member of the Risk, Compliance, Anti-Money-Laundering and Combating the Financing of Terrorism Committee that is affiliated to the Board. Is also Chairman of the Board of Byblos Bank Armenia, Vice-Chairman of the Board of Byblos Bank Syria, and a Member of the Board of Byblos Bank RDC.

BOARD OF DIRECTORS COMMITTEES

AUDIT COMMITTEE*

Chairman	Mr. Bassam A. Nassar
Members	Mr. Abdulhadi A. Shayif Mr. Ahmad T. Tabbara

RISK, COMPLIANCE, ANTI-MONEY-LAUNDERING AND COMBATING THE FINANCING OF TERRORISM**

Chairman	Mr. Abdulhadi A. Shayif
Members	Mr. Alain C. Tohmé H.E. Mr. Arthur G. Nazarian

* Following the Board of Directors' meeting held on 18 April 2013, the members of the Committee have become: Mr. Alain C. Tohmé (Chairman), Mr. Abdulhadi A. Shayif (Member), and Mr. Bassam A. Nassar (Member).

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MANAGEMENT COMMITTEES

Executive Committee		
President	François S. Bassil	Chairman and General Manager
Vice President	Semaan Bassil	Vice-Chairman and General Manager
Members	Sami Haddad	General Manager, International Banking and Investment
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Marwan Moharram	DGM, Head of Group Credit Risk Management Division

Central and International Credit Committee		
President	Semaan Bassil	Vice-Chairman and General Manager
Vice President	Marwan Moharram	DGM, Head of Group Credit Risk Management Division
Members	Sami Haddad	General Manager, International Banking and Investment
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Layla Tohmé	Head of Group Financial Institutions Department

Internal Audit Management Committee		
President	Fadi Abou Abdallah	Head of Group Internal Audit Division
Vice President	Marwan Moharram	DGM, Head of Group Credit Risk Management Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Joseph Nasr	AGM, Head of Distribution Network Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

Assets and Liabilities Committee		
President	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
Vice President	Fadi Nassar	DGM, Head of Group Commercial Banking Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Philippe Saleh	AGM, Head of Group Risk Management Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

Banking Technology Committee		
President	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division
Vice President	Ziad El Zoghbi	Head of Group Finance and Administration Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Philippe Saleh	AGM, Head of Group Risk Management Division
	Walid Kazan	AGM, Head of International Network Division
	Elie Bassil	Head of Group Banking Technology Division

Human Resources Committee		
President	Semaan Bassil	Vice-Chairman and General Manager
Vice President	Fadi Hayek	Head of Group Human Resources Division
Members	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Marwan Moharram	DGM, Head of Group Credit Risk Management Division
	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division

Risk Committee		
President	Philippe Saleh	AGM, Head of Group Risk Management Division
Vice President	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Marwan Moharram	DGM, Head of Group Credit Risk Management Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

International Committee		
President	Sami Haddad	General Manager, International Banking and Investment
Vice President	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Gilbert Zouein	AGM, Head of Group Products, Segments and Marketing Division
	Philippe Saleh	AGM, Head of Group Risk Management Division
	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division
	Walid Kazan	AGM, Head of International Network Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division

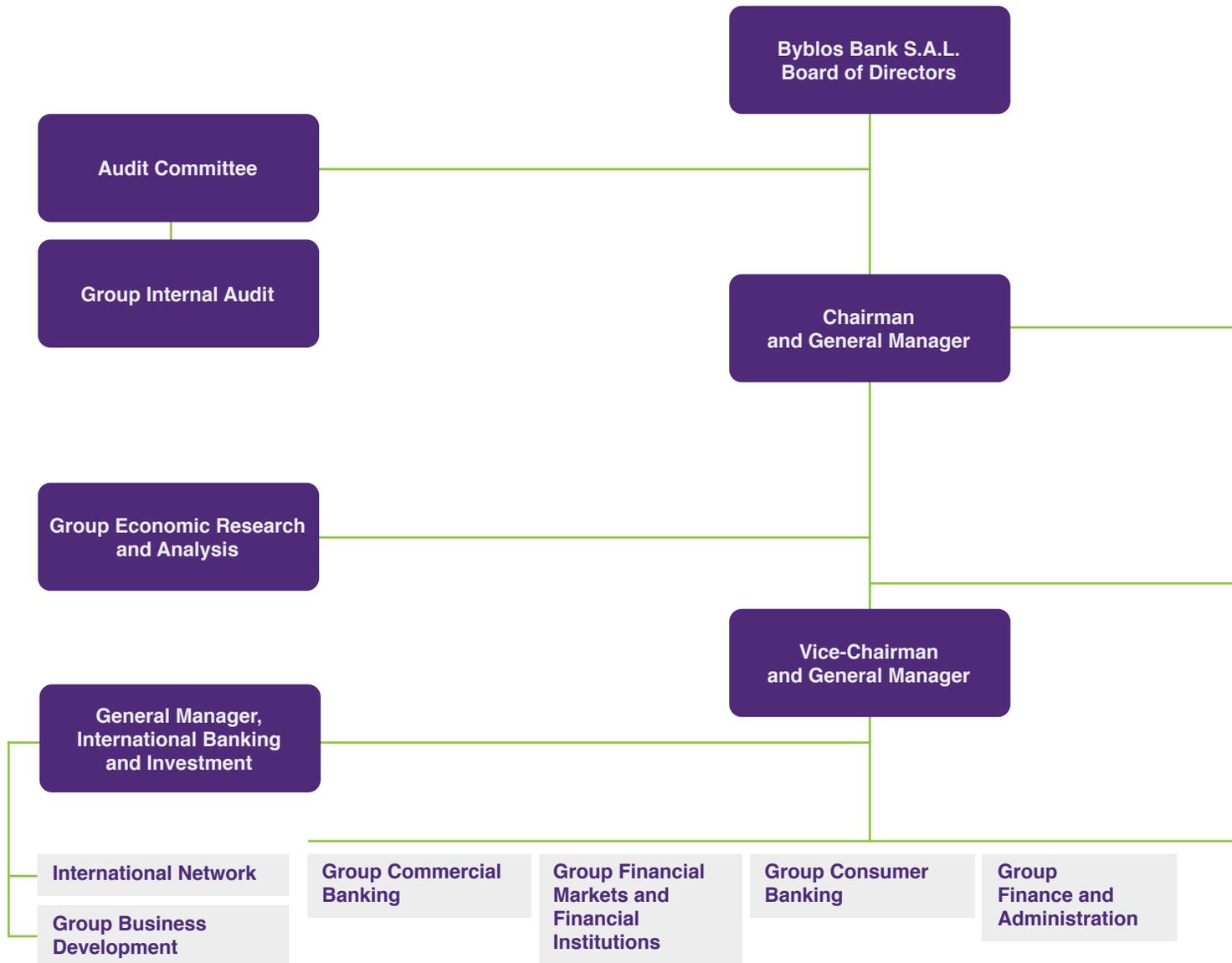
Compliance and Anti-Money-Laundering Committee		
President	Marwan Moharram	DGM, Head of Group Credit Risk Management Division
Vice President	Joumana Chelala	DGM, Head of Consumer Banking Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Sami Haddad	General Manager, International Banking and Investment
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
	Joseph Nasr	AGM, Head of Distribution Network Division
	Philippe Saleh	AGM, Head of Group Risk Management Division
	Walid Kazan	AGM, Head of International Network Division
	Fadi Abou Abdallah	Head of Group Internal Audit Division
	Paul Chammas	Head of Group Operations Division
	Sharif Hachem	Head of Group Anti-Money-Laundering and Regulatory Compliance Department

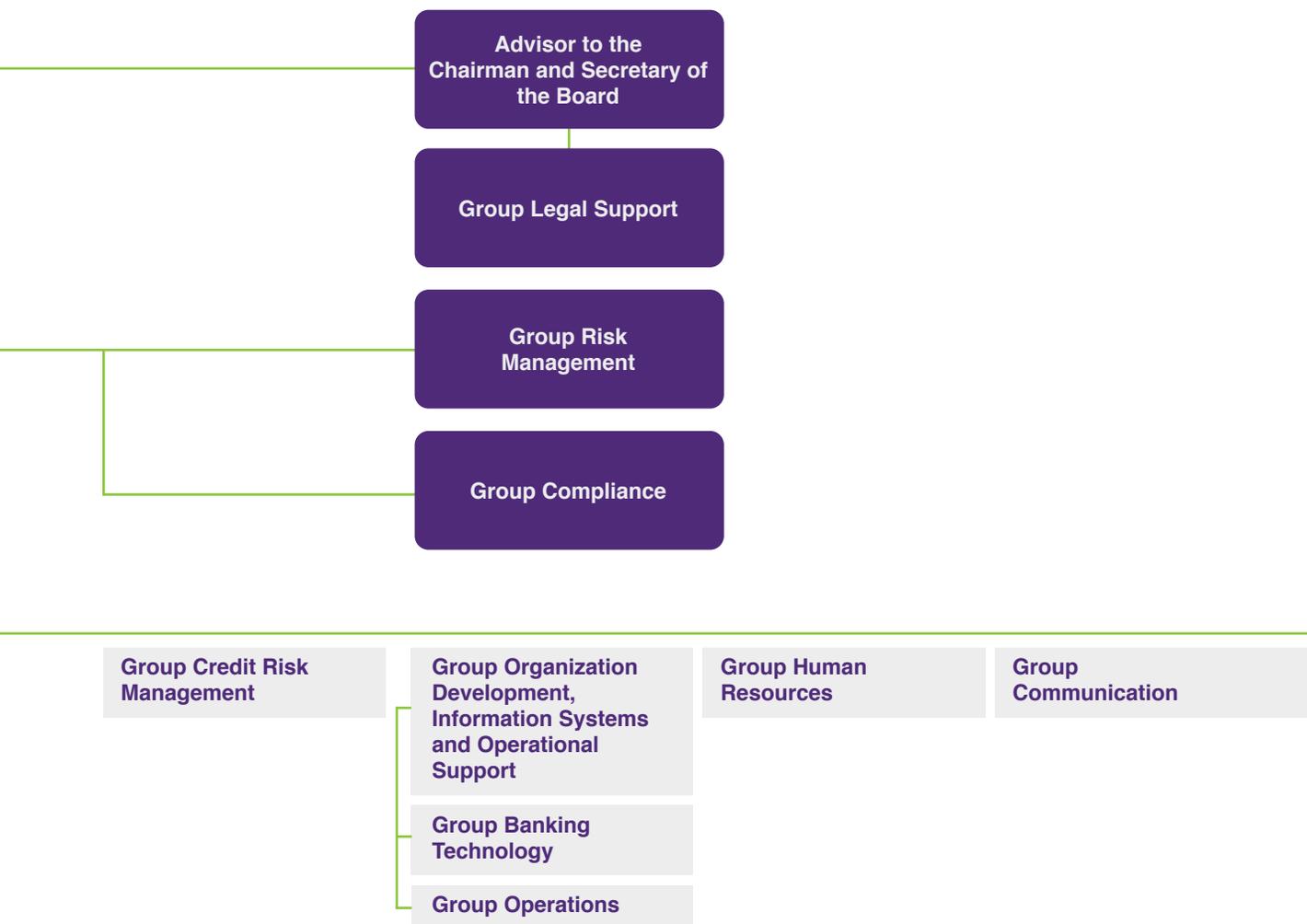
Loan Recovery Committee		
President	Marwan Moharram	DGM, Head of Group Credit Risk Management Division
Vice President	Fadi Nassar	DGM, Head of Group Commercial Banking Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Samir Hérou	Head of Loan Recovery Department

Operational Risk and Information Security Committee		
President	Philippe Saleh	AGM, Head of Group Risk Management Division
Vice President	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Marwan Moharram	DGM, Head of Group Credit Risk Management Division
	Joseph Nasr	AGM, Head of Distribution Network Division
	Ziad El Zoghbi	Head of Group Finance and Administration Division
	Paul Chammas	Head of Group Operations Division

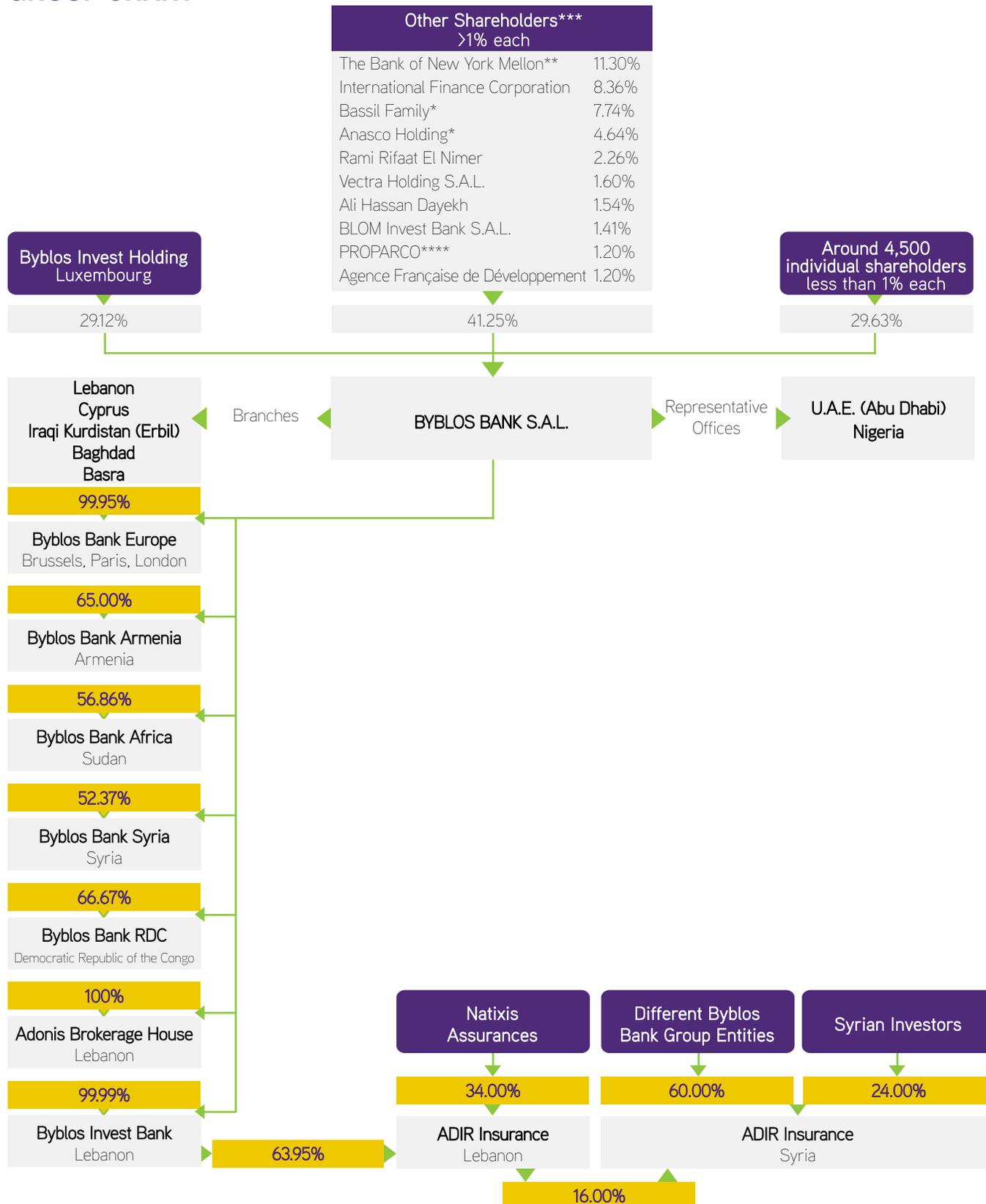
Purchasing Committee		
President	Ziad El Zoghbi	Head of Group Finance and Administration Division
Vice President	Joumana Chelala	DGM, Head of Group Consumer Banking Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division

ORGANIZATIONAL CHART





GROUP CHART



* Major shareholders in Byblos Invest Holding.

** The Bank of New York Mellon is the depositary bank for the GDR program.

*** Including preferred shares.

**** Société de Promotion et de Participation pour la Coopération Economique.