

**OPERATIONS AND
GOVERNANCE**



YEAR IN REVIEW

LEBANON'S SAFEST BANK

SHOWING THE WAY THROUGH DIFFICULT TIMES

Byblos Bank served as a model of preparedness in 2013, riding out the effects of domestic and regional instability to maintain both its strong market position and its rock-solid financial position. The Bank posted increases in both loans and deposits, earned a more than respectable profit, and remained an invaluable partner to its clients, its employees, and its shareholders. Even more importantly, it also continued the policies that have consistently given it the Lebanese banking sector's best Tier 1 capital-to-assets ratio, far surpassing international standards.

This performance was made possible by constant and careful refinements to the Bank's long-tested business model, driven by a laser-like focus on three current priorities: liquidity and capital strength, process improvements, and dedication to our people. This approach is itself an extension of Byblos Bank's long-term strategy, which relies on continuous enhancements that can only be achieved by highly trained and supremely motivated professionals, all committed to a common goal.

CUSTOMERS FOR LIFE

Byblos Bank's Consumer Banking Division understands that challenging times are precisely when our customers need us most – and vice versa. No effort is spared, therefore, in identifying new processes, technologies and other solutions that provide maximum convenience. Customer focus informs a variety of methods to track the ever-changing needs of our clients, including specialized teams that analyze both reported and unreported problems to resolve complaints today and prevent them tomorrow. This practice has a powerful multiplier effect on the work of Customer Service.

In 2014, the Division plans to maintain and even improve the elite levels of service to which our customers have become accustomed. Our strategy for achieving this goal relies on two main elements.

The first of these is to keep offering the best available training to our employees, thereby further empowering them to cater even more efficiently to the needs of our customers in a challenging market. Much of the emphasis is on e-learning, especially for more junior employees whose acculturation is still in process, but even the most experienced members of our team can still benefit by acquiring new knowledge and new skills. We will continue, too, to help motivate our employees by offering them attractive career advancement opportunities based on the quality of their job performance.

The second element is to keep offering the latest technologies to our clients, making it easier and faster to get their banking done. On this front Byblos Bank has been a pioneer in the Lebanese banking industry by introducing trendsetters like E-branch, Smart ATMs®, and, most recently, Mobile Banking Services. All of these help our clients gain more control over their finances, lightening the workload on our branch personnel and freeing up more of their time to provide quality advisory services.

In support of these endeavors, the Division also remains dedicated to a never-ending search for process enhancements and product improvements. Our Mystery Shoppers help measure the quality of services we provide, while our Customer Satisfaction Surveys tell us how well we meet the expectations of our clients – and how we can get even better.

PRUDENT GROWTH

Byblos Bank provides world-class commercial banking services, complementing our outstanding products with expert advice to clients operating in numerous sectors and geographical areas. Our teams of experts are specialized in all manner of solutions, from syndication and project finance, to contracting and real estate, manufacturing and trade, and agriculture finance.

The Commercial Banking Division's strategy in 2013 was to maintain prudent growth, in line with recent past performance, while preserving our dominant positions in the contracting, manufacturing and trade sectors. This strategy was successful, as all of the Bank's set objectives and key performance indicators were achieved.

Despite difficult and sometimes harsh operating conditions in Lebanon and main markets in the region, we are confident that 2014 also will be a successful year. Our strategy of prudent growth will continue, and we expect our growth targets to be met as planned, relying on our broad market experience, resilience, demonstrated ability to adapt in turbulent times, and sound management policies.

A DOMINANT PLAYER

Byblos Bank remained a force for stability in the capital markets, accounting for a 14.66% market share on the Beirut Stock Exchange in 2013. The Bank also extended its dominant role as one of the largest liquidity providers in both the Eurobond and domestic bond markets. Apart from generating approximately USD 5.5 billion in combined turnover, the Bank's business in these two markets also helped the Republic of Lebanon to find favorable terms for its financing needs despite adverse political and economic conditions.

The Capital Markets Division also gained market share for its brokerage activities, relying on a highly professional team to help more clients navigate both equities and fixed-income investments. Superior service is available around the clock for follow-up, execution, and helping individual and corporate clients alike to invest, trade and hedge with a variety of financial instruments at competitive prices.

A SOLID PRESENCE ABROAD

Byblos Bank's foreign subsidiaries have defied the turmoil affecting much of the region, finding new and better ways to help our customers do the same. Net income generated from overseas operations constituted 13.76% of the Group's consolidated net income in 2013, up from 10.15% in 2012, and this despite the challenging work environment, particularly in war-torn Syria.

During 2013, the International Network Division continued to follow a series of carefully studied policies and directives issued by the Group. These include full compliance with both any applicable international sanctions and the regulatory requirements of foreign countries, as well as achieving greater cost efficiencies and ensuring adequate provisioning in all foreign entities, but especially Syria.

Within the scope of these special measures, the Division also pressed on with its core responsibilities, including support for the Group's foreign entities by managing their interactions with the Head Office and branches in Lebanon. In addition, it continued to standardize operations, processes, and services while maintaining compliance with local regulations, and to encourage cross-selling within the Group. The Division also continued to monitor these and other forms of support, ensuring that they fulfill the terms of the Service Level Agreements governing the relationships between Byblos Bank Headquarters and individual subsidiaries.

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Division highlights for 2013 included remarkable growth in lending and trade finance operations in both Iraq and the Democratic Republic of the Congo. Sustaining this momentum is a major goal for 2014.

Other priorities for the coming year include continuous efforts to improve performance and profitability, as well as renewed focus on the Group's image in terms of customer and employee satisfaction. The Division also will work with Human Resources to finalize succession plans for key employees at all of the Group's foreign entities.

OUR PEOPLE, OUR PURPOSE

The open secret of Byblos Bank's success has always been the quality and dedication of its people, and the Human Resources Division is committed to preserving that equation, both now and in the future. The Division is in the process of creating a more user-friendly HR structure, and pursuing a set of long-term objectives defined in 2013:

- Upgrading our HR Information System tool (PeopleSoft) and bringing its impact to bear on more of our activities
- Reviewing HR procedures in order to reduce bureaucracy while increasing efficiency and productivity
- Enhancing our competency framework in order to improve recruitment, talent development and succession planning
- Creating a cutting-edge assessment process that ensures selection on the basis of merit alone

On the international level, the Division's focus for 2014 will be on spreading use of our standardized HR policies, processes and applications so that the practices of the Byblos Bank Group are mirrored by all foreign subsidiaries.

The full implementation of our performance management process will ensure that all employees of our overseas entities receive the same technical and behavioral training as their counterparts in our home market of Lebanon, and that their performance is evaluated objectively and rewarded accordingly. These steps help maintain the Group's competitive edge within the banking sector, as do key benefits such as medical coverage, schooling and university fees, etc.

LEADERSHIP MEANS MAKING A DIFFERENCE

Byblos Bank has been driven since its founding by an ever-present resolve to exert positive influences on the lives and livelihoods of its neighbors, a founding philosophy expressed today by our Corporate Social Responsibility (CSR) policies and programs. Just as we strive every day to become a better bank, so too do we never stop working for the advancement of the communities we serve and the families who inhabit them.

All banking is about moving capital around, but for Byblos Bank the definition also means humanizing that capital so that real benefits are felt by real people. Our CSR work aims to do just that, extending support for a variety of deserving causes not always well served by market forces or purely commercial considerations.

Byblos Bank's long experience in this area has demonstrated that specialization can significantly increase the impact of CSR activities, so we continue to refine the scope of our work. In this way, rather than spreading our efforts too thinly, we can make bigger differences in those areas targeted by our strategy. In 2013, the main priorities were as follows:

- **Photography:** The Bank strengthened its focus on promoting the talents of emerging Lebanese photographers. The overall objective is to help establish photography as a standalone art in Lebanon, one with a self-sustaining market that creates new space for able photographers to build viable careers.
- **Environment:** Byblos Bank believes there is no time to waste in safeguarding natural treasures for the generations of tomorrow, and 2013 saw us reinvigorate our long association with tree-planting in Lebanon with a highly successful Cedar Reforestation campaign. We also continued the process of defining and improving the environmental impact of our business operations.
- **Heritage:** Preserving our heritage remains one of the Bank's most important goals because we believe that understanding the past is the surest path to a stable and prosperous future. Nowhere is this truer than in Lebanon, whose unique cultural foundations are threatened with erosion by several factors, including emigration.
- **Education:** Byblos Bank continues to work in close cooperation with schools and universities, supporting them in their mission of dispensing knowledge and critical thinking skills. The goal here is to improve the academic access and achievements of our youth, making of them not only more competitive participants in the job market, but also more capable citizens of an abler, wiser and more productive society.

PHOTOGRAPHY

- In late February and early March, we paid tribute to our special ties with Belgium by supporting Belgian Week in Lebanon and erecting a booth to exhibit unique photos of that country. Taken by Byblos Bank Award for Photography 2012 winner Dory Younes, the shots featured images from TomorrowLand, Belgium's world-famous electronic music festival. Our long relationship with Belgium goes back to the establishment of our first overseas subsidiary, Byblos Bank Europe, there in 1976.
- In April, Byblos Bank Headquarters hosted the first solo exhibition by Dory Younes, winner of the first Byblos Bank Award for Photography in 2012. Titled "Urban Landscapes", the event helped fulfill the Bank's determination to spread appreciation for photography and raise the profile of talented Lebanese photographers in order to help them develop and sustain their livelihoods.
- In September came the second edition of the Byblos Bank Award for Photography, which took place in cooperation with the Beirut Art Fair. The first-rate images submitted by participating photographers and the high caliber of the jury generated considerable credibility for the Byblos Bank Award, and more appreciation of the talent required to compete for it. An effective communication plan promoted the finalists and their work, and the winner was Ghaleb Cabbabé, whose reward was a debut solo exhibition hosted at Byblos Bank Headquarters – and a coaching and mentoring program to help him prepare. Using the Beirut Art Fair as a platform offers several advantages, including professional organization and direct public exposure: all 10 of the finalists exhibited their work at Byblos Bank's booth at the fair, which was visited by some 18,000 people.
- We also actively contributed to securing a visit by Photomed, a unique photography festival that usually takes place in France and features the work of photographers from all Mediterranean countries. Our preparations were successful, and the festival took place in January 2014, giving local enthusiasts an opportunity for in-depth looks at the works of such distinguished photographers as Nino Migliori and Costa Gavras. The festival also featured a special Lebanese presence with

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the participation of a group of highly respected local photographers: Carolina Tabet, Emile Issa, Tanya Traboulsi, Mazen Jannoun, Ghadi Smat, Lara Zankoul, Joanna Andraos, Fouad el Khoury and Tony Hage.

HERITAGE

- In July, the Bank supported “Journeys through our heritage”, a potent initiative by Liban Art that aimed to both stimulate creativity and keep Lebanon’s artistic heritage alive. Curators Janine Maamari and Marie Tomb commissioned each of 21 Lebanese artists (all born after 1970) to create a work in the media of their choice, informed by aspects of Lebanese artistic modernism. The artists were free to investigate and question, but also to contemplate and pay homage to the oeuvre of their forebears (born before 1930), including Helen Khal, Farid Aouad, Shafic Abboud, Gibran Kahlil Gibran, Saliba Douaihy, Saloua Raouda Choucair, and Khalil Saleeby, among others. Exhibited at the Beirut Exhibition Center, the products of their journeys through history and memory revealed personal, historical and societal messages still relevant today.
- Following two years of works and a donation of approximately USD 2 million by Byblos Bank to the Jbeil Municipality, the renovated Jbeil Souks were reopened during a major event in August that was attended by Lebanese President Michel Sleiman. This project is important to Byblos Bank for many reasons, not only because it contributes to the preservation of one of the world’s oldest cities, or because that city was the Bank’s birthplace, but also because it carries an economic impact that will help its residents obtain greater prosperity, enabling them to remain rooted in their land.
- As an extension of our support for Lebanon’s precious archaeological history, the Bank sponsored “Saida, 15 years of excavations”, a book based on the findings of works undertaken by the British Museum in collaboration with Lebanon’s Directorate of Antiquities and under the supervision of Dr. Claude Serhal. Covering some 5,000 years in the history of one of the most important cities of the ancient world, the tome was offered as an end-of-year gift to many of our clients.
- Byblos Bank also continued to sponsor “Hayda Lebnen”, a daily program carried by LBCI Television. In 2013, the program’s areas of focus included old souks in various regions of Lebanon, as well as valuable collections – of everything from stamps, keys, and classic cars to musical instruments, stuffed animals, and model cars – owned by Lebanese.
- We also sponsored the Association pour la Restauration et l’Étude des Fresques Médiévales du Liban, allowing it to print and distribute informative brochures explaining the importance of Lebanon’s medieval frescoes. Mostly located at aging churches in Jbeil, Batroun, Koura, and the Qadisha Valley, these works require immediate attention in order to preserve them.

EDUCATION

- In 2013, Byblos Bank continued the implementation of its University Loans Program (ULP), a partnership with the Agence Française de Développement (AFD), helping to finance the studies of some 1,036 students at nine private universities in Lebanon. ULP loans, worth a total of EUR 17.2 million in 2013, are disbursed in Lebanese Pounds and carry highly favorable terms and interest rates. The program was launched in late 2010 in association with the AFD, which has provided a line of credit worth EUR 25 million to fund an initial three-year mandate to grant student loans under optimum conditions.
- In August, for the fourth year in a row, Byblos Bank sponsored the annual mini-marathon organized by MyschoolPulse, which helps finance the education of children whose severe illnesses prevent them from attending regular classes. Some 70% of these children fully recover after treatment, and keeping up the pace of their education is crucial for them to resume normal lives.
- Throughout the year, we maintained our partnerships with several schools and universities, with special focus on education for youth and securing their access to new ideas.

ENVIRONMENT

- Coinciding with Independence Day in November 2013, Byblos Bank launched a national campaign to raise awareness about the Cedar of Lebanon, long the country's most recognized national symbol but today covering just 0.0002% of its territory. "Our Cedar Is Our Identity" centered on a TV commercial celebrating the global popularity of Lebanese customs and traditions, but also warning of the need to protect them at home, especially the country's natural icon: its Cedars. The TV spot soon went viral on YouTube and social media, quickly becoming, by far, the most watched Lebanese bank advertisement of the year. The response was overwhelmingly positive, with Lebanese at home and around the world praising the commercial's message and originality. The campaign reflected Byblos Bank's longstanding commitment to reforestation in general and of Cedars in particular, beginning with tree-plantings in 2005.
- The Bank continued this theme with an end-of-year gift for employees and many clients: the Cedars box, a special kit that allows recipients to adopt their very own trees. The adoption kit carries simple instructions on how to go online and select one of four locations (Ehmej, Ehden, Zaarour or Kfardebiane) where Cedar saplings have been planted by the Bank in cooperation with Cedars box and Jouzour Loubnan.
- We also sponsored "Cedrus Libani" a book by Gabriela S. Schaub that features a variety of fascinating information about the Cedar of Lebanon, including how and where the species has been mentioned in literature, its botanical characteristics, its use in logos and fine arts, and the state of Lebanon's Cedar forests today.
- The Bank helped increase appreciation of Lebanon's Jabal Moussa region, one of the country's most important biospheres, by lending support for the production of two guidebooks about the area. Prepared by renowned scientists Georges and Henriette Tohmé, the guidebooks contain the names of photographs of all of Jabal Moussa's flowers and trees, many of which are found nowhere else, and were presented as end-of-year gifts to many of our clients.
- We also continued the implementation of our Bgreen initiative, which aims to reduce the environmental impact of operations at Byblos Bank Headquarters in Ashrafieh. This initiative includes specific and measurable actions on several fronts, from conserving energy and water to reducing the use of paper and recycling paper and plastic products.
- In addition, Byblos Bank teamed up with Gemalto, a global leader in digital security, to introduce the Middle East's first bio-sourced debit and credit cards. The move demonstrated the Bank's commitment to identifying and implementing steps that reduce the environmental impact of every initiative we launch, every policy we follow, and every product we sell. It also showcased Byblos Bank's recurring role as a pioneer of the national and regional banking industries.

OTHER ACTIVITIES

- In May we took part in the grand opening of the AUB Byblos Bank Art Gallery, made possible by a grant from the Bank of some USD 500,000. Located in a prime spot on the AUB campus, the venue is dedicated to hosting exhibitions and programs relating mostly to contemporary art. The Bank was among the first to support the University's vision for promoting the arts, initiating talks on collaboration in 2009. Byblos Bank believes strongly that human creativity and innovation are a much-neglected economic, cultural and social resource for Lebanon, so this experimental facility will plant seeds that encourage local talent in the application of art in all its different forms.
- Once again, the Bank sponsored the Sourat Festival, an annual event that pays homage to the Batroun village's rich history and stately oaks.
- Child's Week: this was the 28th time Byblos Bank has proudly taken part in this event, run by the Association for the Protection of Lebanese Children.

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- We also participated in fundraising events for a variety of non-governmental organizations (NGOs), helping them secure the resources required to carry out their respective functions in the community.
- We helped shore up Lebanon's blood supply by teaming up with the Lebanese Red Cross to organize a blood drive for employees at Byblos Bank Headquarters.

MORE TO COME ...

Byblos Bank's commitment to CSR work that furthers the stability and development of the community has only grown stronger with the passage of time, and that will continue in 2014. This year we plan to further sharpen our focus on the kinds of projects that have long-term sustainability, a necessary attribute for the forging of genuine and viable partnerships that further the interests of all stakeholders.

ADVOCACY

As a long-time leader in one of the Lebanese economy's most vital sectors, Byblos Bank regards it as nothing less than a solemn duty to encourage the highest of standards in both the management of private business and the handling of the public purse. Corporate conduct is crucial on multiple levels, from consumer and investor confidence to trade growth and the price of credit. The management of government finances has an even more widespread impact, affecting current and future conditions for each and every one of a country's inhabitants. Increasing awareness of the choices before us is therefore the very least we can do to secure a better future for all Lebanese.

On this level, the voice of Byblos Bank remains our veteran Chairman and General Manager, Dr. François S. Bassil. With more than five decades of experience in the banking industry, Dr. Bassil was elected in July to a fourth term as Chairman of the Board of the Association of Banks in Lebanon (ABL). His long experience and reputation for financial wisdom lend considerable credibility to his words, and he uses them judiciously.

With the deadlock in Lebanon's political class still preventing progress on a long list of economic and other issues, the past year afforded no shortage of appropriate instances for this advocacy role. Chief among these was the political arena itself, where the resignation of then-Prime Minister Najib Mikati's Cabinet in March was followed by months of paralysis over the composition and policy statement of a new government to be headed by his successor, Tammam Salam. During the interregnum, Dr. Bassil joined other responsible figures in beseeching the political class to get its priorities straight by finally putting national interests above partisan ones.

During and after this crisis, the Chairman maintained his calls for the political class to close ranks, reanimate state institutions, and finalize long-delayed administrative appointments. He also emphasized the urgency of the government's financial position, calling for far-reaching structural reforms, as well as immediate steps to rein in public spending to end the cycle of mounting debt.

GOVERNANCE AND COMPLIANCE

The fundamental importance of governance has been made unmistakably clear by the 2008-2009 financial crisis and its aftermath. Byblos Bank was spared the worst of that debacle thanks to high standards and prudent management, only reinforcing its belief in strict adherence to rules and regulations, the highest standards of corporate governance, and common sense.

We never stop examining and re-examining our internal policies and procedures to ensure that they remain in compliance with all applicable laws and regulatory requirements. Our personnel receive regular training in these and other areas, putting them on solid ground to apply various standards to given situations.

The Bank takes a similar approach to the manner in which we make information available, particularly to our shareholders. No effort is spared to make sure that all financial and any other material data are accurate, complete and up to date. As a result, our reputation for transparency inspires confidence (and therefore creates value) for all of our stakeholders, from customers and employees to investors and partner institutions.

Nowhere are such good habits more necessary than in protecting the Bank and its stakeholders against money laundering and other forms of malfeasance, financial or otherwise. The Byblos Bank Group consistently adopts organizational policies, supervisory initiatives, and other concrete steps to prevent it from being used by others seeking to conduct illegal activities or to circumvent internationally administered sanction programs. In addition, we comply with all Central Bank of Lebanon rules and guidelines in respect to the establishment of a compliance function for identifying, monitoring and reporting suspicious transactions and activities.

In line with Basel Committee recommendations, Financial Action Task Force guidelines, local regulations and international best practice standards, the Group maintains a compliance program of policies, procedures and systems to meet its commitment to detect and prevent all forms of money-laundering activities. The Group's compliance program follows strict principles that are applicable in any and all jurisdictions in which the Group has a presence, including:

- Carrying out the necessary due diligence before establishing a relationship with a prospective customer in order to verify his or her identity, ascertain the legitimacy of sources of funds, identify third parties who might actually control the disposition of those funds, understand the customer's business model, and determine the intended purpose of the business relationship. As per our Group's policy, under no circumstances do we offer our services to "walk-in" customers not maintaining an account.
- Prohibiting the opening of accounts for certain types of relationships, such as shell banks, non-face-to-face customers, money services businesses (MSBs), numbered or bearer accounts, online casinos and other gambling websites, among others.
- Applying a risk-based approach when deciding on whether to accept or reject the commencement of a relationship; accounting for factors such as the prospective customer's background, geographic location, nature of business activity and type of banking products being solicited. The Group must deny access to its services whenever due diligence examinations of a customer reveal inconsistency in the facts.
- Exercising enhanced due diligence and increased transaction monitoring for customers believed to pose a higher-than-average risk for money laundering, including, but not limited to, those considered politically or financially exposed.

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- Monitoring accounts for changes in transaction patterns that deviate from expected activity or behavior that would be considered normal for that particular customer or category of customers.
- Screening customer data and transaction details against sanction programs administered by local authorities as well as foreign countries and organizations (such as OFAC, the United Nations and the European Union, among others) to ensure that individuals, entities, countries, vessels, goods and services associated directly or indirectly with any transaction are in full compliance with those sanctions.
- Reporting to the Group AML and Legal Compliance Department on any transaction deemed to be unusual or suspicious in order to file a case with the local authorities.
- Providing all staff with continuous training on anti-money laundering measures and techniques, and ensuring awareness of the Group's obligations toward sanctions programs.

The Group operates a vigorous oversight regime over its activities to ensure consistent adherence with its compliance program. This includes the assignment of a compliance officer to each branch and the presence of a local Compliance Department for each of its subsidiaries, all under the authority of a Group Compliance, AML and Regulatory Department located at its Byblos Bank Headquarters. The Head of Group Compliance has direct access to senior management, the Board of Directors, and the Central Bank of Lebanon's Special Investigation Commission.

These and other activities stem from our boundless faith in high standards of governance as the ultimate tool in modern risk management. Accordingly, we use state-of-the art procedures to control different types of risks, for all lines of business, at the individual, portfolio, and aggregate levels. We take great care to protect client information, maintain lofty ethics in all our business dealings, and provide fully transparent risk disclosure to the Board of Directors, senior management, regulators, ratings agencies, and other interested parties.

For decades these and other good habits have allowed the Bank to produce consistent returns, but also to safeguard its long-term financial position and build a sterling reputation. Far from changing course, the future will only see an intensification of these practices as we apply new experiences and new technologies.

BOARD OF DIRECTORS MEMBER PROFILES



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. Also serves as Chairman of the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee affiliated to the Board. Is now serving a fourth term as Chairman of the Board of the Association of Banks in Lebanon.

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, Chairman and General Manager of Byblos Invest Bank S.A.L., Member of the Board of Byblos Bank Europe, and Vice-Chairman of the Board of Byblos Bank Africa. In addition, serves as Member of the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee affiliated to the Board.



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.

* Following the resignation of H.E. Mr. Sami F. Haddad, the General Assembly of Shareholders elected Mr. Des O'Shea to the Board of Directors on 9 May 2014.

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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. Was designated Minister of Energy and Water as of February 2014.

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. Also serves as a Member of the Risk, Compliance, Anti-Money Laundering and Combating the Financing of Terrorism 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 Member of the Audit Committee and the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance 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.

BOARD OF DIRECTORS MEMBER PROFILES



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 Head of the Audit Committee and Member of the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee affiliated to the Board, both of which are affiliated to the Board. Is also Chairman of the Board of Byblos Bank Armenia, Vice-Chairman of the Board of Byblos Bank Syria, Member of the Board of Byblos Bank RDC and a Member of the Board of Byblos Invest Bank S.A.L..

BOARD OF DIRECTORS COMMITTEES

AUDIT COMMITTEE

Chairman	Mr. Alain C. Tohmé
Members	Mr. Abdulhadi A. Shayif
	Mr. Bassam A. Nassar

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

Chairman	Mr. Abdulhadi A. Shayif
Members	Mr. Ahmad T. Tabbara
	H.E. Mr. Arthur G. Nazarian

HUMAN RESOURCES, COMPENSATION, REMUNERATION, NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Chairman	Dr. François S. Bassil
Members	Mr. Semaan F. Bassil
	Mr. Alain C. Tohmé
	Mr. Bassam A. Nassar

MANAGEMENT COMMITTEES

Executive Committee		
President	François S. Bassil	Chairman and General Manager
Vice President	Semaan Bassil	Vice-Chairman and General Manager
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 Risk Management Division

Central and International Credit Committee		
President	Semaan Bassil	Vice-Chairman and General Manager
Vice President	Marwan Moharram	DGM, Head of Group Risk Management 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
	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 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
	Marwan Moharram	DGM, 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
	Marwan Moharram	DGM, 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 Risk Management Division
	Raffoul Raffoul	AGM, Head of Group Organization Development, Information Systems and Operational Support Division

Risk Committee

President	Marwan Moharram	DGM, 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
	Ziad El Zoghbi	Head of Group Finance and Administration Division

International Committee

President	Semaan Bassil	Vice-Chairman and General Manager
Vice President	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
Members	Joumana Chelala	DGM, Head of Group Consumer Banking Division
	Fadi Nassar	DGM, Head of Group Commercial Banking Division
	Marwan Moharram	DGM, Head of Group Risk Management Division
	Gilbert Zoueïn	AGM, Head of Group Products, Segments and Marketing 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 Risk Management Division
Vice President	Joumana Chelala	DGM, Head of Consumer Banking Division
Members	Semaan Bassil	Vice-Chairman and General Manager
	Alain Wanna	DGM, Head of Group Financial Markets and Financial Institutions Division
	Joseph Nasr	AGM, Head of Distribution Network 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 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

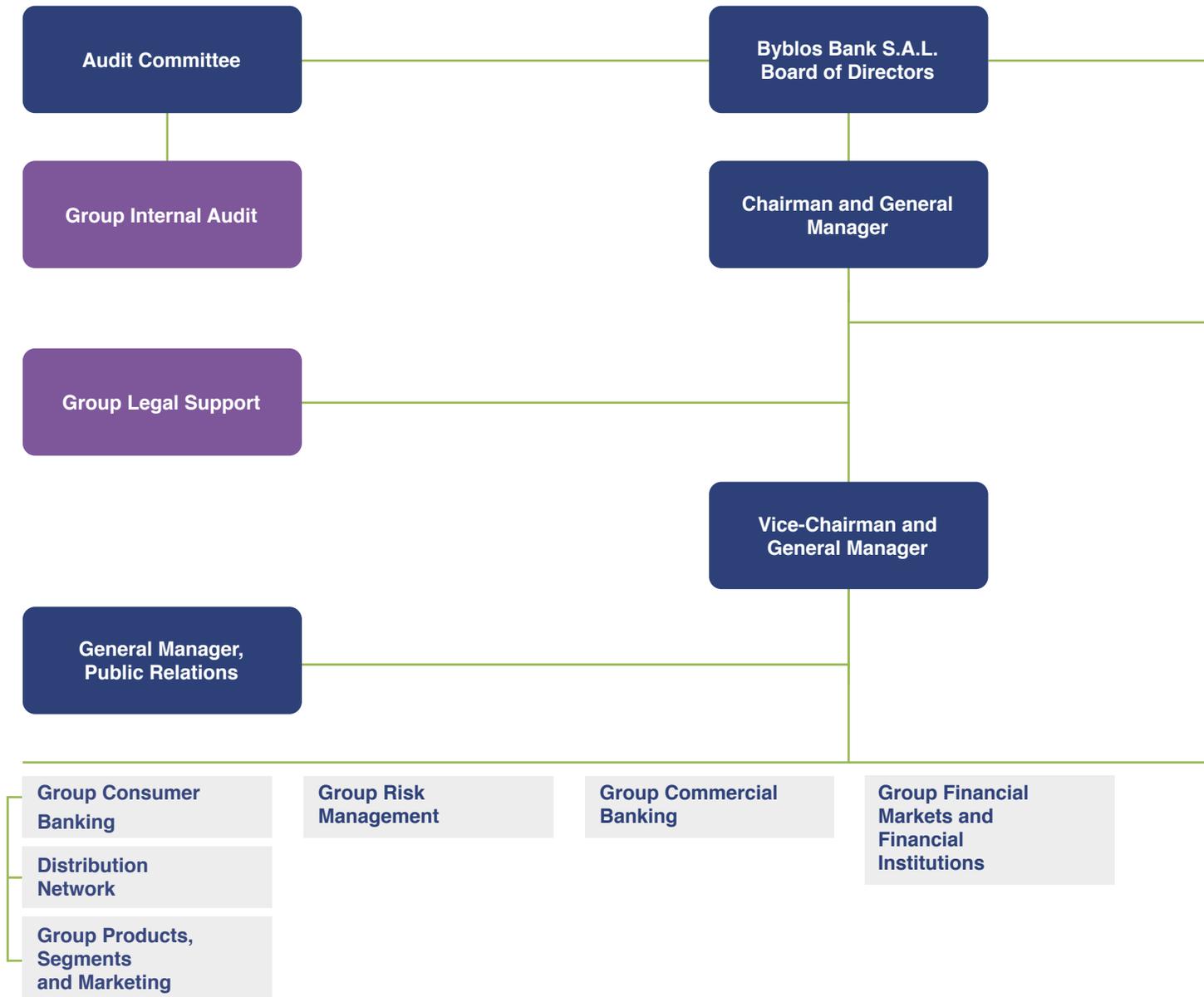
Operational Risk and Information Security Committee

President	Marwan Moharram	DGM, Head of Group Risk Management Division
Vice President	Raffoul Raffoul	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
	Joseph Nasr	AGM, Head of Distribution Network Division
	Paul Chammas	Head of Group Operations Division
	Ziad El Zoghbi	Head of Group Finance and Administration 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
	Antoine Keldany	Head of Administration Department

ORGANIZATIONAL CHART





International Network

Group Organization Development, Information Systems and Operational Support

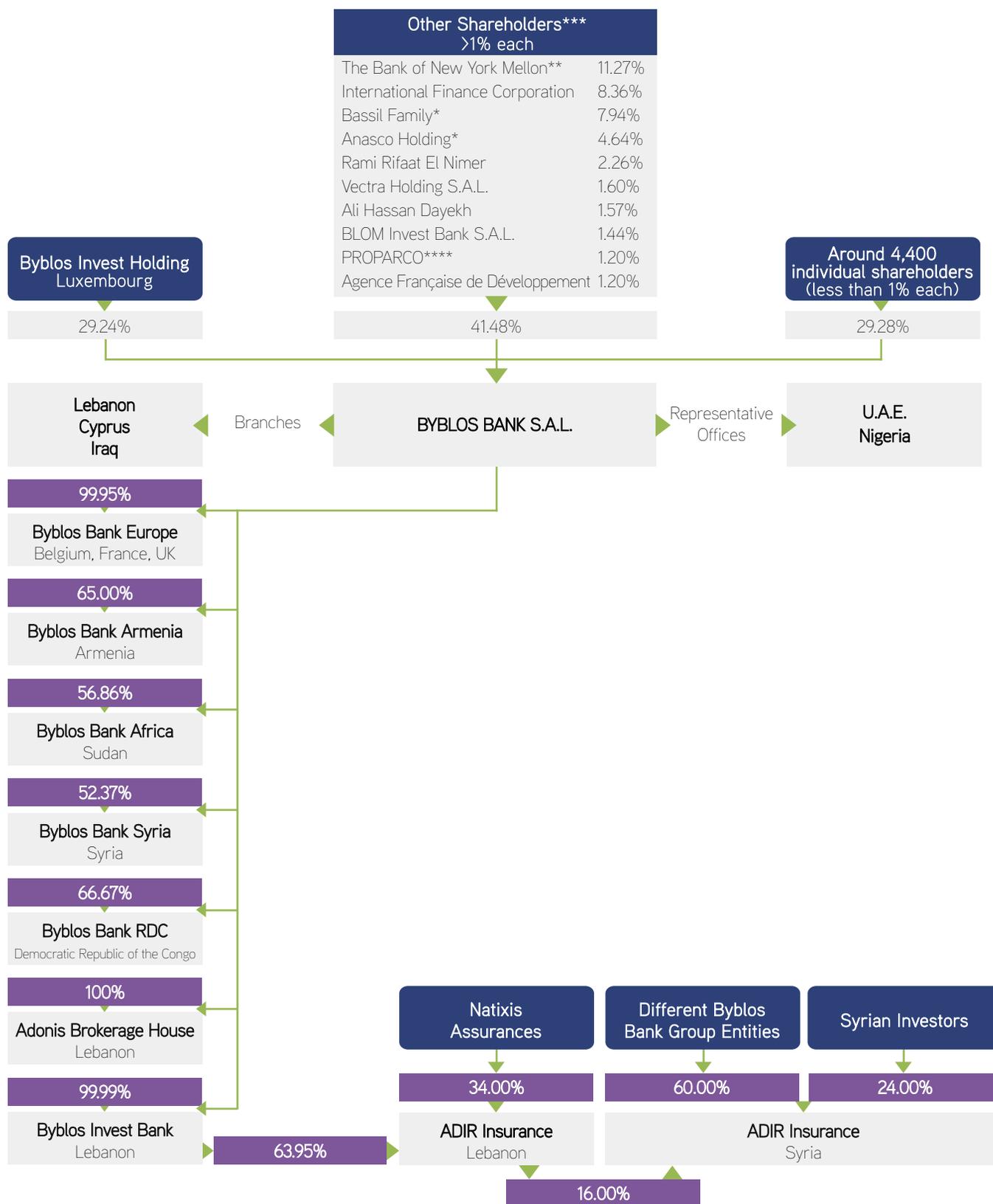
Group Finance and Administration

Group Human Resources

Group Operations

Group Banking Technology

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, as at 31 December 2013.

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