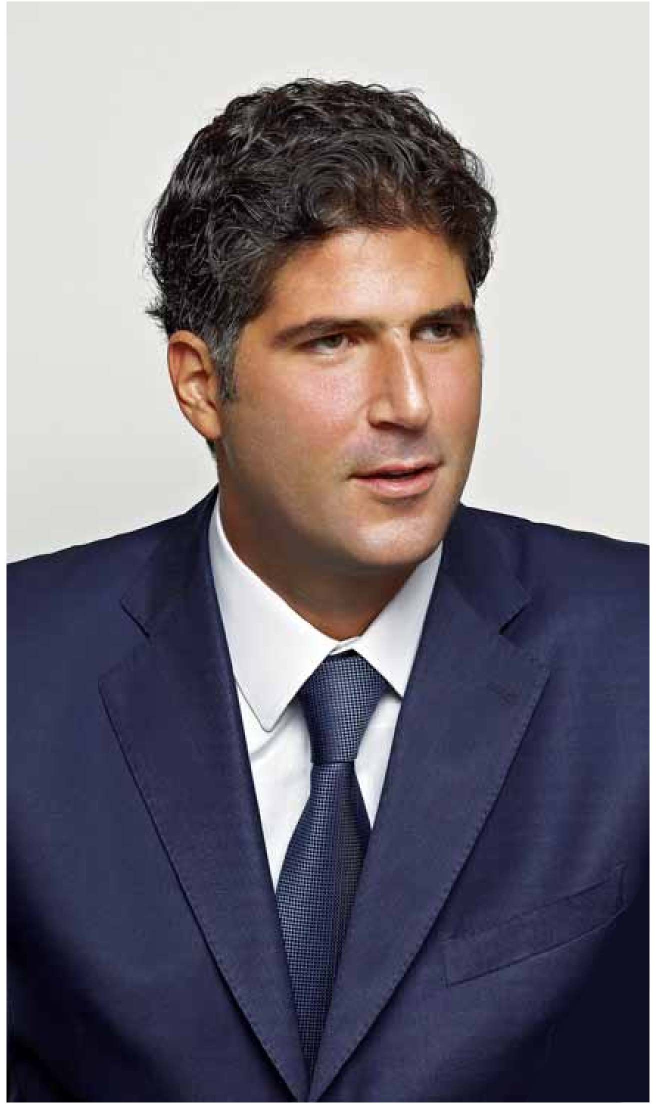
STATEMENT OF THE CEO



"Looking back at 2012, I am pleased to announce that our Bank has come a long way this year."

Dear shareholders, dear partners,

Looking back at 2012, I am pleased to announce that our Bank has come a long way this year, achieving a good performance while undertaking a bold integration process at Group level, in the aftermath of the strategic acquisition that the Bank has conducted in 2011*. This has taken place in the framework of a political and economic context that was little conducive to growth.

As you well know, our region is going through turbulent times. Lebanon's growth has been significantly hampered in 2012, following the escalation of the Syrian conflict and the deterioration on the security front at the domestic level. Growth has been estimated at around 1% in real terms. The sharp deceleration in two key sectors, tourism and real estate, has weighed significantly on real activity.

Lebanon's balance of payments also showed signs of the downturn. For the second year in a row, it has registered a deficit, mainly stemming from lower tourism spending and steady imports. However, ongoing capital inflows associated with traditional workers' remittances and widening spreads, in the backdrop of very low international yields, have partly offset the impact of weaker revenues. Still, despite the 1.5 billion US dollar deficit of the balance of payments, foreign reserves stood at almost 30 billion US dollars at year-end, representing a stable buffer against potential pressures on the peg. On a separate note, the country's fiscal challenges remain whole, in the persistent absence of political consensus to tackle social and economic issues in depth.

In the backdrop of this unfavorable domestic and regional macroeconomic environment, SGBL has delivered a satisfactory performance in 2012. Net profits have reached 116 million US dollars, up 72% from 2011. Deposits ended the year at 7.98 billion dollars, and Total Assets reached 10.17 billion dollars, up 6.8% from 2011. By the end of 2012, SGBL group had grown its branch network to 88 branches. It is worth mentioning that SGBL group has no exposure to Syria and continues to operate a very close monitoring of risks across markets and subsidiaries.

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Actually 2012 was a year of consolidation for SGBL. In the framework of the integration of the assets acquired in 2011, all the necessary efforts were put in at the early stages, so as to start reaping the benefits from the integration in the shortest timeframes. By year-end, subsequent synergies between businesses and markets were already materializing.

Moreover, in the context of this complex operation, SGBL has demonstrated its capacity to take up sizeable and highly challenging projects and manage them successfully in record time. As growth remains at the heart of our strategy, we will most certainly capitalize on this experience in the future.

On a separate note, the Bank has also been pursuing its longer term growth objectives. In 2012, it has succeeded in raising its equity by 325 million dollars. Part of this increase was achieved through the injection of fresh capital by the shareholders, while the remaining (125 million dollars) was realized through the issuance of a third series of Preferred Shares that was actually oversubscribed. At year end, SGBL's core Tier 1 ratio stood at 10.08%.

Amid uncertain economic growth, the Bank – supported by its valuable teams – will continue to strive for better performances and bolder objectives. Our 2013 first half results underline encouraging progress. I wish to thank you all, shareholders, partners and colleagues, for your unconditional support and your ongoing trust.

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Antoun Sehnaoui
Chairman & CEO

* The Central Bank of Lebanon issued its final approval for the acquisition of part of the assets and liabilities of the Lebanese Canadian Bank s.a.l. on September 7, 2011.