

BANQUE DU LIBAN

Intermediate Circular No 275

Addressed to Banks, Financial Institutions, Financial Intermediation Institutions and Leasing Companies

Attached is a copy of Intermediate Decision No 10790 of August 22, 2011, amending:

- 1- Basic Decision No 7159 of November 10, 1998 (Classification of Debt Risks) attached to Basic Circular No 58.
- 2- Basic Decision No 7723 of December 2, 2000 (Banks' Position) attached to Basic Circular No 76.

Beirut, August 22, 2011

The Governor of Banque du Liban

Riad Toufic Salamé

Intermediate Decision No 10790

**Amending Basic Decision No 7159 of November 10, 1998 (Classification of Debt Risks)
and Basic Decision No 7723 of December 2, 2000 (Banks' Position)**

The Governor of Banque du Liban,

Pursuant to the Code of Money and Credit, particularly Article 146 thereof,

Pursuant to Basic Decision No 7159 of November 10, 1998 and its amendments, relating to the Classification of Debt Risks,

Pursuant to Basic Decision No 7723 of December 2, 2000 and its amendments, relating to Banks' Position, and

Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of August 17, 2011,

Decides the following:

Article 1:

The text of Forms (CR-1) and (CR-2) attached to Basic Circular No 7159 of November 10, 1998, is repealed and replaced with the new text attached to this Decision.

Article 2:

The following two items shall be added after Item "22720" in Financial Statement No 2 "Liabilities", Form 2010, attached to Basic Circular No 7723 of December 2, 2000:

| | |
|-------|---|
| 22730 | Unrealized profits on stocks and shares classified against other comprehensive income items |
| 22740 | Unrealized losses on stocks and shares classified against other comprehensive income items |

Article 3:

The following two items shall be added after Item "22100" in Financial Statement No 2 "Liabilities", Form 2010, attached to Basic Circular No 7723 of December 2, 2000:

| | |
|-------|--|
| 22101 | Undistributed balance carried forward |
| 22102 | Distributed free profits carried forward |

Article 4:

This Decision shall come into force upon its issuance.

Article 5:

This Decision shall be published in the Official Gazette

Beirut, August 22, 2011

The Governor of Banque du Liban

Riad Toufic Salamé

| | | |
|---|---|---|
| Classification of debts according to their risks Basic Circular No 58 Department of Statistics and Economic Research | Form (CR-1) Quarterly Position As of: .../.../..... | Bank No: Name: Value in millions of LBP |
|---|---|---|

| Item | Name | In LBP | | Equivalent in LBP | | Total | |
|------------|---|-----------------------------------|----------------------------|-------------------|--------|--------|--------|
| | | Number | Amount | Number | Amount | Number | Amount |
| 100 | Standard debts | Number of accounts | Standard debts | | | | |
| 101 | Including: debts not fully guaranteed | Number of non-guaranteed accounts | Debts not fully guaranteed | | | | |
| 140 | Guarantees on standard debts | Number of guaranteed accounts | Total Guarantees | | | | |
| 141 | - cash guarantees | | | | | | |
| 142 | - real estate guarantees | | | | | | |
| 143 | - financial instrument guarantees | | | | | | |
| 144 | - bank guarantees | | | | | | |
| 145 | -other guarantees | | | | | | |
| 150 | Debts for follow up | | | | | | |
| 151 | Including: those not fully guaranteed | | | | | | |
| 160 | Guarantees on debts for follow up | | | | | | |
| 161 | - cash guarantees | | | | | | |
| 162 | - real estate guarantees | | | | | | |
| 163 | - financial instrument guarantees | | | | | | |
| 164 | - bank guarantees | | | | | | |
| 165 | -other guarantees | | | | | | |
| 200 | Debts for follow up and settlement | | | | | | |
| 201 | Including: those not fully guaranteed | | | | | | |
| 210 | Guarantees on debts for follow up and settlement | | | | | | |
| 211 | - cash guarantees | | | | | | |
| 212 | - real estate guarantees | | | | | | |
| 213 | - financial instrument guarantees | | | | | | |
| 214 | - bank guarantees | | | | | | |
| 215 | -other guarantees | | | | | | |

| | | | | | | | | | |
|------------|--|--|--|--|--|--|--|--|--|
| 300 | Substandard debts* | | | | | | | | |
| 301 | Including: those not fully guaranteed | | | | | | | | |
| 310 | Guarantees on substandard debts | | | | | | | | |
| 311 | - cash guarantees | | | | | | | | |
| 312 | - real estate guarantees | | | | | | | | |
| 313 | - financial instrument guarantees | | | | | | | | |
| 314 | - bank guarantees | | | | | | | | |
| 315 | -other guarantees | | | | | | | | |
| 400 | Doubtful debts* | | | | | | | | |
| 401 | Including: those not fully guaranteed | | | | | | | | |
| 410 | Guarantees on doubtful debts | | | | | | | | |
| 411 | - cash guarantees | | | | | | | | |
| 412 | - real estate guarantees | | | | | | | | |
| 413 | - financial instrument guarantees | | | | | | | | |
| 414 | - bank guarantees | | | | | | | | |
| 415 | - other guarantees | | | | | | | | |
| 480 | Provisions against doubtful debts | | | | | | | | |
| 500 | Bad debts* | | | | | | | | |
| 502 | Including those not fully guaranteed | | | | | | | | |
| 580 | Provisions against bad debts | | | | | | | | |
| 900 | TOTAL | | | | | | | | |

* These debts shall be inserted without their unrealized interests.

Classification of debts according to their risks
 Basic Circular No 58
 Department of Statistics and Economic Research

Form (CR-1) Quarterly Position

As of:/.../.....

Bank No:
 Name:
 Value in millions of LBP

| Item | Name | Resident | Non-resident | Total |
|-------------|---|----------|--------------|-------|
| 1000 | Agriculture (A) | | | |
| 1100 | Standard debts | | | |
| | | | | |
| 1150 | Debts for follow up | | | |
| | | | | |
| 1200 | Debts for follow up and settlement | | | |
| | | | | |
| 1300 | Substandard debts* | | | |
| | | | | |
| 1400 | Doubtful debts* | | | |
| 1401 | Provisions against doubtful debts | | | |
| | | | | |
| 1500 | Bad debts* | | | |
| 1501 | Provisions against bad debts | | | |
| | | | | |
| 2000 | Industry (BCD) | | | |
| 2100 | Standard debts* | | | |
| | | | | |
| 2150 | Debts for follow up | | | |
| | | | | |
| 2200 | Debts for follow up and settlement | | | |
| | | | | |
| 2300 | Substandard debts* | | | |
| | | | | |
| 2400 | Doubtful debts* | | | |
| 2401 | Provisions against doubtful debts | | | |
| | | | | |
| 2500 | Bad debts* | | | |
| 2501 | Provisions against bad debts | | | |
| | | | | |
| 3000 | Contracting and Construction (E) | | | |
| 3100 | Standard debts | | | |
| | | | | |
| 3150 | Debts for follow up | | | |
| | | | | |
| 3200 | Debts for follow up and settlement | | | |
| | | | | |
| 3300 | Substandard debts* | | | |
| | | | | |
| 3400 | Doubtful debts* | | | |
| 3401 | Provisions against doubtful debts | | | |
| | | | | |
| 3500 | Bad debts* | | | |
| 3501 | Provisions against bad debts | | | |
| | | | | |

| | | | | |
|-------------|-------------------------------------|--|--|--|
| 4000 | Trade and Services (FGHIKM) | | | |
| 4100 | Standard debts | | | |
| | | | | |
| 4150 | Debts for follow up | | | |
| | | | | |
| 4200 | Debts for follow up and settlement | | | |
| | | | | |
| 4300 | Substandard debts* | | | |
| | | | | |
| 4400 | Doubtful debts* | | | |
| 4401 | Provisions against doubtful debts | | | |
| | | | | |
| 4500 | Bad debts* | | | |
| 4501 | Provisions against bad debts | | | |
| | | | | |
| 5000 | Financial Intermediation (J) | | | |
| 5100 | Standard debts | | | |
| | | | | |
| 5150 | Debts for follow up | | | |
| | | | | |
| 5200 | Debts for follow up and settlement | | | |
| | | | | |
| 5300 | Substandard debts* | | | |
| | | | | |
| 5400 | Doubtful debts* | | | |
| 5401 | Provisions against doubtful debts | | | |
| | | | | |
| 5500 | Bad debts* | | | |
| 5501 | Provisions against bad debts | | | |
| | | | | |
| 6000 | Miscellaneous (LNOPQ) | | | |
| 6100 | Standard debts | | | |
| | | | | |
| 6150 | Debts for follow up | | | |
| | | | | |
| 6200 | Debts for follow up and settlement | | | |
| | | | | |
| 6300 | Substandard debts* | | | |
| | | | | |
| 6400 | Doubtful debts* | | | |
| 6401 | Provisions against doubtful debts | | | |
| | | | | |
| 6500 | Bad debts* | | | |
| 6501 | Provisions against bad debts | | | |
| | | | | |
| 7000 | To Individuals (R) | | | |
| 7100 | Standard debts | | | |
| | | | | |
| 7150 | Debts for follow up | | | |
| | | | | |
| 7200 | Debts for follow up and settlement | | | |
| | | | | |

| | | | | |
|-------------|---|--|--|--|
| 7300 | Substandard debts* | | | |
| | | | | |
| 7400 | Doubtful debts* | | | |
| 7401 | Provisions against doubtful debts | | | |
| | | | | |
| 7500 | Bad debts* | | | |
| 7501 | Provisions against bad debts | | | |
| | | | | |
| 8000 | Loans to be used outside Lebanon | | | |
| 8100 | Standard debts | | | |
| | | | | |
| 8150 | Debts for follow up | | | |
| | | | | |
| 8200 | Debts for follow up and settlement | | | |
| | | | | |
| 8300 | Substandard debts* | | | |
| | | | | |
| 8400 | Doubtful debts* | | | |
| 8401 | Provisions against doubtful debts | | | |
| | | | | |
| 8500 | Bad debts* | | | |
| 8501 | Provisions against bad debts | | | |
| | | | | |

* These debts shall be inserted without their unrealized interests.