

Byblos Bank Releases Financial Results for First Quarter of 2017

Consolidated Activity Highlights as at end-March 2017:

- *USD 21.3 billion in Assets*
- *USD 17.4 billion in Customers' Deposits*
- *USD 5.2 billion in Net Customers' Loans*
- *USD 2.1 billion in Total Equity*
- *USD 28.7 million in Net Profit*

Byblos Bank Headquarters, 25 April 2017: Byblos Bank posted adequate results with a slight drop in net profit due to recently taken conservative measures. The drop in net profit, which amounted 14.9% in first quarter of 2017, resulted mainly from the deconsolidation of investments of the Bank's subsidiaries in both Syria and Sudan, as well as from a lower risk appetite in some overseas markets.

Byblos Bank kept up with its conservative lending policy, along with its strategy of high liquidity as devised by its Board of Directors. These measures, although affecting profitability on the short term, will ensure long-term protection and stability for shareholders.

Byblos Bank, therefore, maintained a high level of immediate foreign-currency liquidity, amounting to 20% at end of March 2017, in the form of short-term placements with investment- and above-investment-grade institutions, all at levels exceeding both local and international benchmarks. Additionally, Byblos Bank maintained a Basel III Capital Adequacy Ratio at above 18% at end-2016, versus recently-issued BDL regulatory requirements that raised the minimum to 15% by end-2018.

As a result of these and other measures, customers' deposits and customers' loans conservatively grew by 2% and 0.3% respectively, reaching USD 17.4 billion and USD 5.2 billion. These have been achieved while maintaining a low loans-to-assets ratio of 24.4%, with net interest margin improving slightly from 1.36% to 1.39% due to better management of interest rate.

Byblos Bank continues with its plans and internal projects to drive improvements in its business and human productivity, measures that will ensure an optimization of expenses, a better use of resources, and by consequence an improvement in profitability.

ZIAD EL ZOGHBI

Head of Group Finance & Administration Division Group Finance & Administration

Tel +961 1 335200 Ext 0511

Fax +961 1 339474

www.byblosbank.com

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017

**CAPITAL LBP 689,113,198,400 FULLY PAID,
TOTAL EQUITY LBP 3,187,102,000,000 | C.R.B.14150,
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (LBP millions)

	Unaudited 31-Mar-17	Audited 31-Dec-16
ASSETS		
Cash and balances with central banks	9,467,370	8,783,092
Due from banks and financial institutions	3,593,172	2,657,429
Loans to banks and financial institutions and reverse repurchase agreements	519,789	964,066
Financial assets given as collateral	227,936	224,044
Derivative financial instruments	3,314	4,420
Shares and participations held at fair value through profit or loss	40,956	40,065
Debt instruments and other financial assets held at fair value through profit or loss	550,002	749,107
Net loans and advances to customers at amortized cost*	7,807,806	7,787,274
Net loans and advances to related parties at amortized cost	20,544	20,714
Debtors by acceptances	260,547	223,883
Shares and participations held at fair value through other comprehensive income	106,730	101,305
Debt instruments held at amortized cost	9,069,020	9,416,979
Property and equipment	250,982	247,095
Intangible assets	352	380
Assets taken in settlement of debt	43,898	43,299
Other assets	112,718	110,438
TOTAL ASSETS	32,075,136	31,373,590

(*) After Deducting:

Reserved Interest on sub-standard, doubtful, and bad loans	58,667	53,964
Specific Provisions for doubtful and bad loans	155,810	158,278
Provisions Based on Collective Assessment	85,859	78,643

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017

**CAPITAL LBP 689,113,198,400 FULLY PAID,
TOTAL EQUITY LBP 3,187,102,000,000 | C.R.B.14150,
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (LBP millions)	Unaudited 31-Mar-17	Audited 31-Dec-16
LIABILITIES AND EQUITY		
LIABILITIES		
Due to central banks	345,369	332,971
Due to banks and financial institutions	790,892	774,095
Derivative financial instruments	2,579	2,106
Customers' deposits at amortized cost	25,941,706	25,415,634
Deposits from related parties at amortized cost	345,914	366,028
Engagements by acceptances	260,547	223,883
Debt issued and other borrowed funds	460,990	444,072
Other liabilities	458,763	399,813
Provisions for risks and charges	281,274	275,390
Subordinated notes	420,807	420,165
TOTAL LIABILITIES	29,308,841	28,654,157
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital – Common shares	684,273	684,273
Share capital – Preferred shares	4,840	4,840
Issue premium – Common shares	229,014	229,014
Issue premium – Preferred shares	591,083	591,083
Reserves not available for distribution (legal and statutory)	842,512	843,320
Reserves available for distribution	105,096	103,246
Treasury shares	(5,692)	(5,161)
Retained earnings	295,848	67,517
Revaluation reserve of real estate	5,689	5,689
Reserve on revaluation of financial assets at fair value through OCI	(5,146)	(9,081)
Net results of the financial year - profit	41,898	232,670
Foreign currency translation reserve	(61,803)	(65,340)
	2,727,612	2,682,070
NON-CONTROLLING INTEREST	38,683	37,363
TOTAL EQUITY	2,766,295	2,719,433
TOTAL LIABILITIES AND EQUITY	32,075,136	31,373,590

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017

**CAPITAL LBP 689,113,198,400 FULLY PAID,
TOTAL EQUITY LBP 3,187,102,000,000 | C.R.B.14150,
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017 (LBP millions)

	Unaudited 31-Mar-17	Audited 31-Dec-16
OFF-BALANCE SHEET ITEMS		
Financing Commitments		
Financing commitments given to banks & financial institutions	352,425	401,809
Financing commitments received from banks & financial institutions	102,266	79,254
Engagement to customers	2,718,349	2,774,764
Bank guarantees		
Guarantees given to banks & financial institutions	153,831	179,274
Guarantees given to customers	931,480	913,621
Guarantees received from customers	25,021,481	25,628,287
Foreign Currencies Forwards		
Foreign currencies to receive	384,248	310,601
Foreign currencies to deliver	383,475	308,153
Claims from legal cases	44,455	44,452
Fiduciary assets	162,248	162,722
Asset under management	3,292,919	3,265,740
Bad debts fully provided for	170,560	167,558

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017

**CAPITAL LBP 689,113,198,400 FULLY PAID,
TOTAL EQUITY LBP 3,187,102,000,000 | C.R.B.14150,
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT**



CONSOLIDATED INCOME STATEMENT

Period ended 31 March 2017 (LBP millions)	Unaudited 31-Mar-17	Unaudited 31-Mar-16
Interest and similar income	397,818	382,415
Interest and similar expense	(301,968)	(287,948)
NET INTEREST INCOME	95,850	94,467
Fees and Commissions income	35,104	33,406
Fees and Commissions expense	(3,033)	(3,054)
NET FEES AND COMMISSIONS INCOME	32,071	30,352
Net gain from financial instruments at fair value through profit or loss	16,899	27,825
of which: interest revenues/charges	11,997	5,614
Net gain or loss on financial assets at amortized cost	1,190	50,832
Revenue from financial assets at fair value through other comprehensive income	8	8
Other operating income	3,635	4,993
TOTAL OPERATING INCOME	149,653	208,477
Credit loss expense	(3,938)	(11,378)
NET OPERATING INCOME	145,715	197,099
Personnel expenses	(50,721)	(50,158)
Depreciation and amortization	(4,951)	(5,046)
Amortisation of intangibles assets	(28)	(28)
Other operating expenses	(30,860)	(30,931)
Provision for risks and charges	(502)	(41,790)
TOTAL OPERATING EXPENSES	(87,062)	(127,953)
PROFIT BEFORE TAX	58,653	69,146
Income tax expense	(15,328)	(18,254)
PROFIT FOR THE PERIOD	43,325	50,892
Attributable to:		
Equity holders of the parent	41,898	48,149
Minority interests	1,427	2,743
	43,325	50,892
Earnings per share		
Equity holders of the parent for the period:	LL	LL
Basic earnings per share	52.85	63.71
Diluted earnings per share	52.85	62.55

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017

**CAPITAL LBP 689,113,198,400 FULLY PAID,
TOTAL EQUITY LBP 3,187,102,000,000 | C.R.B.14150,
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT**



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2017 (LBP millions)	Unaudited 31-Mar-17	Unaudited 31-Mar-16
PROFIT FOR THE PERIOD	43,325	50,892
OTHER COMPREHENSIVE INCOME (LOSS)		
Items to be reclassified to the income statement in subsequent periods:		
Exchange difference on translation of foreign operations	3,431	(12,071)
Net other comprehensive gain (loss) to be reclassified to the income statement in subsequent periods	3,431	(12,071)
Items not to be reclassified to the income statement in subsequent periods:		
Net unrealized gain from financial assets at fair value through other comprehensive income	4,629	1,155
Income tax effect	(694)	(174)
	3,935	981
Net other comprehensive income not to be reclassified to the income statement in subsequent periods	3,935	981
OTHER COMPREHENSIVE GAIN (LOSS) FOR THE PERIOD NET OF TAX	7,366	(11,090)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	50,691	39,802
Attributable to:		
Equity holders of the parent	49,371	43,283
Non-controlling interests	1,320	(3,481)
	50,691	39,802