



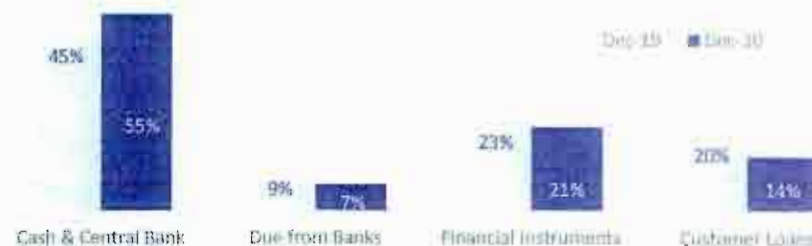
Byblos Bank S.A.L
Highlights of the Board of Directors' report on
the Audited Consolidated Financial Statements
as at 31/12/2020

Consolidated Statement of Financial Position as at 31/12/2020

Figures in C/V USD Million

Assets	Dec-19	Dec-20	Variance	%
Cash & Central Bank	9,912	10,234	323	3%
Due from Banks	1,925	1,288	(637)	-33%
Financial Instruments	5,141	4,007	(1,134)	-22%
Customer Loans	4,470	2,616	(1,854)	-41%
Acceptances	103	19	(84)	-82%
Fixed Assets	284	271	(14)	-5%
Other Assets	83	324	241	289%
Total Assets	21,918	18,758	(3,159)	-14%

Assets Structure



Liabilities	Dec-19	Dec-20	Variance	%
Due to Central Bank	1,014	991	(23)	-2%
Due to Banks	822	691	(131)	-16%
Customer Deposits	17,376	14,922	(2,454)	-14%
Debt issued and other borrowed funds	293	6	(287)	-98%
Acceptances	103	19	(84)	-82%
Other Liabilities	359	290	(69)	-19%
Subordinated Loans	285	279	(6)	-2%
Shareholders Equity	1,666	1,560	(106)	-6%
Total Liabilities & Equity	21,918	18,758	(3,159)	-14%

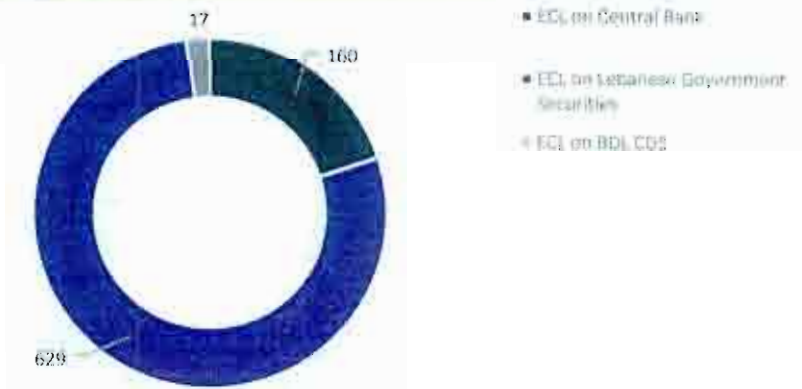
Liabilities Structure



Financial Instruments

Total financial instruments and Central bank gross exposure amounted to USD 14,443 million at the end of Dec-2020 out of which 73% denominated in foreign currency.

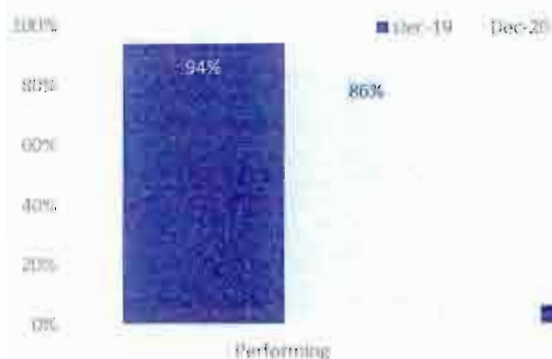
- ECL on Lebanese Government Securities amounted to CV USD 629 million at the end of Dec-2020 covering 56% of Lebanese EuroBonds exposure.
- ECL on BDL CDs and Central bank exposure amounted to CV USD 17 million and USD 160 million respectively at the end of Dec-2020 covering 1.9% of BDL Foreign currency exposure.
- Sovereign exposure ECL denominated in Foreign currency stands at USD 140 Million



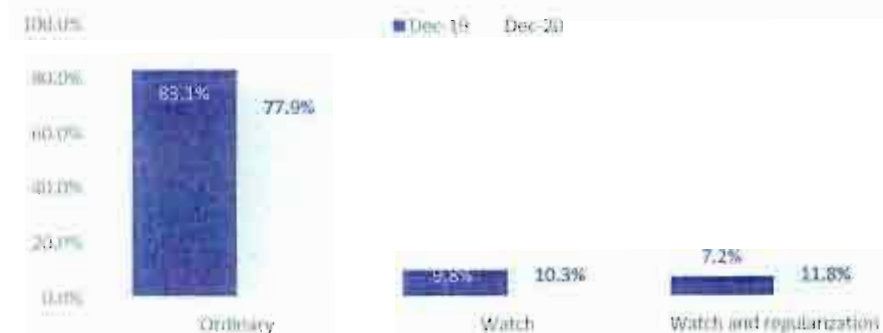
Balances represents gross exposure by category.

Asset Quality

Loans performance evolution



Performing Loans evolution



C/V USD Million

	2019	2020
Gross Loans and advances to customers	4725	2985
Gross doubtful loans	296	431
Substandard	52	99
Doubtful	208	283
Bad	36	49
Reserved Interest	-61	-82
Substandard	-10	-6
Doubtful	-38	-59
Bad	-13	-17
Specific Provision	-99	-136
Substandard		
Doubtful	-76	-104
Bad	-23	-32
General and Collective Provision	-95	-151
Substandard / Total loans	1.1%	3.3%
Doubtful and bad / Total loans	5.2%	11.1%
Total Doubtful / Total Loans	6.3%	14.4%
Total Provisions and RI / Total loans	5.4%	12.4%
Total Provisions and RI / Doubtful & Bad loans	100.6%	109.4%
Total Provisions and RI / Gross classified loans	86.3%	85.6%
Specific Provisions & RI / Non-Performing Loans	61.5%	63.9%

Customers' deposits

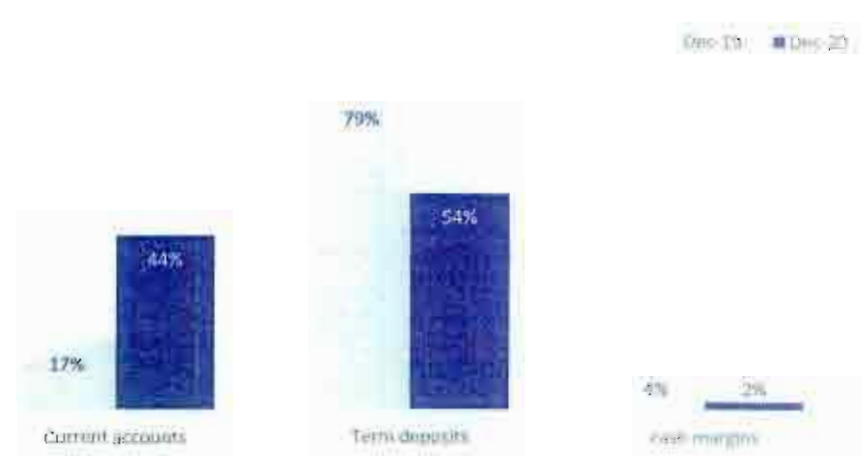
Total customers' deposits amounted to USD 14,922 million at the end of Dec-2020 decreasing by 14% USD 2,454 million compared to 2019.

Customer Deposits by Type

C/V USD Million



Customer Deposit Structure



* Figures excludes related parties deposits and accrued interest

Customers' deposits Fresh accounts

Total customers' Fresh accounts deposits amounted to USD 60.3 million at the end of Dec-2020, consistently increased by a monthly average of USD 4 million with a cumulative inflow of USD 1.32 billion versus an outflow of 1.26,



Shareholders Equity

Total equity amounted to USD 1,560 million at the end of Dec-2020 decreasing by 6.3% (-USD 106 million).

C/V USD Million

	Dec-19	Dec-20
Share capital - Ordinary common	454	454
Share capital - Preferred	3	3
Premium on ordinary common shares	152	152
Premium on preferred shares	392	392
Non-distributable reserves (legal and obligatory)	664	669
Distributable reserves	83	64
Treasury shares	(6)	(6)
Retained earnings	64	(53)
Revaluation variance on real estates	4	4
Change in fair value of financial instruments through OCI	(26)	(14)
Foreign currency translation reserve	(35)	(41)
Other reserves	17	17
Net income for the year	(122)	(93)
Minority Interest	22	12
Shareholders Equity	1,666	1,560

- Capital Adequacy Ratio reached 11.00% at the end of Dec-2020 compared to 9.96% at the end of Dec-2019, divided between Net common Tier 1, Net Tier 1 and Total Capital ratio as follows.
- Capital will be increased in 2021 by USD 270 Million leading to an additional enhancement in CAR ratios.

C/V USD Million	2019		2020		After capital injection	
CAR Ratio	Balance	Ratio	Balance	Ratio	Balance	Ratio
Common Equity Tier 1	1,923	9.73%	1,955	11.00%	2,225	12.52%
Net Tier 1 Capital	1,403	7.10%	1,658	9.33%	1,928	10.85%
Net Tier 1 & Tier 2 Capital	1,008	5.10%	1,263	7.10%	1,533	8.62%

Regulatory limits	2020	2021	2022	2023	2024
Common Equity Tier 1	4.50%	4.50%	5.25%	6.00%	7.00%
Net Tier 1 Capital	6.00%	6.00%	6.75%	7.50%	8.50%
Net Tier 1 & Tier 2 Capital	8.00%	8.00%	8.75%	9.50%	10.50%

Consolidated Income Statement

C/V USD Million

	Dec-19	Dec-20	Variance	%
Interest and similar income	1,588	1,265	(323)	-20%
Interest and similar expense	(1,348)	(716)	632	-47%
Net Interest Income	240	549	309	129%
Fees and commission income	104	92	(13)	-12%
Fees and commission expense	(9)	(7)	2	-21%
Net Fees and Commission Income	96	85	(11)	-11%
Net gain or loss on financial instruments	21	(161)	(182)	-862%
Other operating income	54	325	271	498%
Total operation income	411	798	387	94%
Credit loss expense	(281)	(657)	(376)	134%
Net operating income	130	141	11	8%
Personnel expenses	(124)	(127)	(3)	2%
Other operating expenses	(85)	(75)	10	-11%
Depreciations	(18)	(19)	(1)	4%
Total operating expenses	(227)	(221)	6	-3%
Operating profit	(97)	(80)	17	-17%
Profit before tax	(97)	(80)	17	-17%
Income Tax Expense	(25)	(23)	1	-5%
Net profit	(122)	(104)	18	-15%

- Net loss amounted to USD -104 million in 2020 compared to a net loss of USD -121.5 million in 2019 driven mainly by the increase of the bank operating income due to the sharp decrease in its Cost of fund.
- During 2020, The bank recognized USD 657 million of credit loss expenses for its sovereign, Central bank and loans portfolio. In counterparty, the bank recognized an exceptional trading gain of USD 209 million and recovered a deferred gain of USD 91 million.

Profitability Ratios	2019	2020
Cost-To-Income ratio	53.22%	55.84%
Operating Expenses / Average Assets	0.90%	1.03%
Operating Expenses / Average Customer Deposits	1.20%	1.30%
Net Interest Inc. / Total Operating Inc.	58.66%	93.26%
Net Commission Inc. / Total Operating Inc.	23.25%	14.42%
Net Financial Operations Inc. / Total Operating Inc.	4.85%	-27.39%
Net Other Operating Inc. / Total Operating Inc.	13.24%	19.71%

Interest Spread

- Net Interest Spread reached 1.94% at the end of Dec-2020 compared to 0.39% at the end of Dec-2019 showing a increase of 155 basis points. This increase was mainly due to the decrease in the bank's cost of funds in LBP and USD.
- Net interest Spread in LCY Reached 3.50% at the end of Dec-2020 compared to 0.96% at the end of Dec-2019.
- Net interest Spread in FCY Reached 1.05% at the end of Dec-2020 compared to 0.05% at the end of Dec-2019.

