



**Byblos Bank S.A.L**  
**Highlights of the Board of Directors' report on**  
**the Audited Consolidated Financial Statements**  
**as at 31/12/2021**

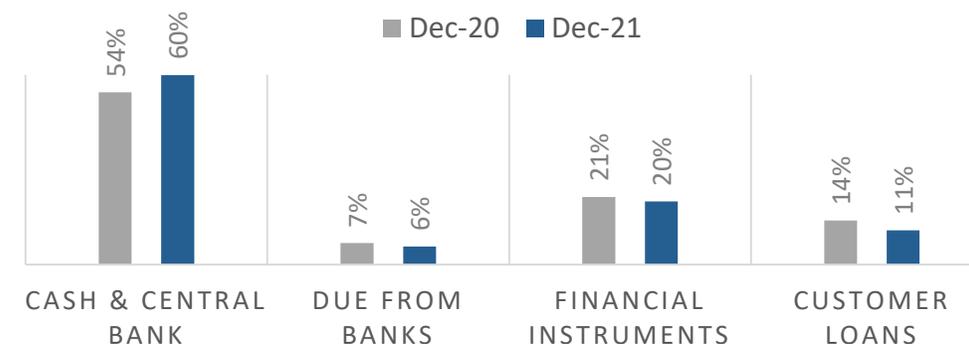
# Consolidated Statement of Financial Position as at 31/12/2021

Figures in C/V USD Million

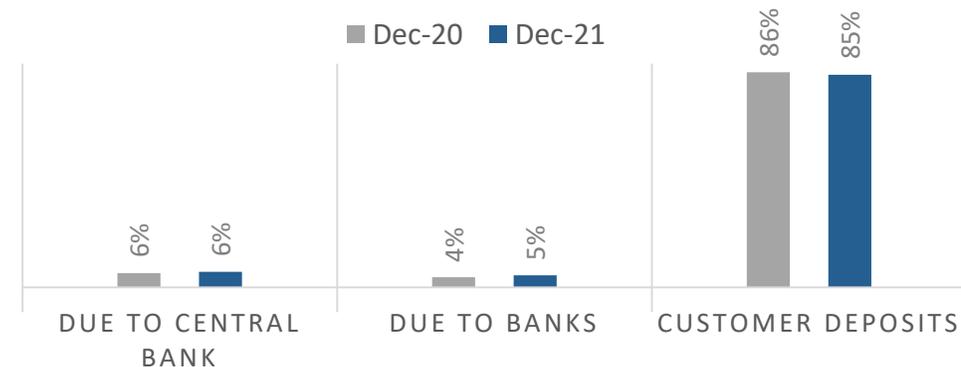
Assets	Dec-20	Dec-21	Variance	%
Cash & Central Bank	10,219	10,313	94	1%
Due from Banks	1,287	996	(291)	-23%
Financial Instruments	4,004	3,438	(566)	-14%
Customer Loans	2,612	1,876	(736)	-28%
Acceptances	19	32	13	71%
Fixed Assets	271	259	(12)	-4%
Other Assets	346	296	(50)	-14%
<b>Total Assets</b>	<b>18,757</b>	<b>17,209</b>	<b>(1,548)</b>	<b>-8%</b>

Liabilities	Dec-20	Dec-21	Variance	%
Due to Central Bank	991	966	(25)	-3%
Due to Banks	691	752	61	9%
Customer Deposits	14,872	13,195	(1,677)	-11%
Debt issued and other borrowed funds	6	-	(6)	-100%
Acceptances	19	32	13	70%
Other Liabilities	339	391	52	15%
Subordinated Loans	279	106	(174)	-62%
<b>Shareholders Equity</b>	<b>1,560</b>	<b>1,769</b>	<b>209</b>	<b>13%</b>
<b>Total Liabilities &amp; Equity</b>	<b>18,757</b>	<b>17,209</b>	<b>(1,548)</b>	<b>-8%</b>

## Assets Structure



## Liabilities Structure



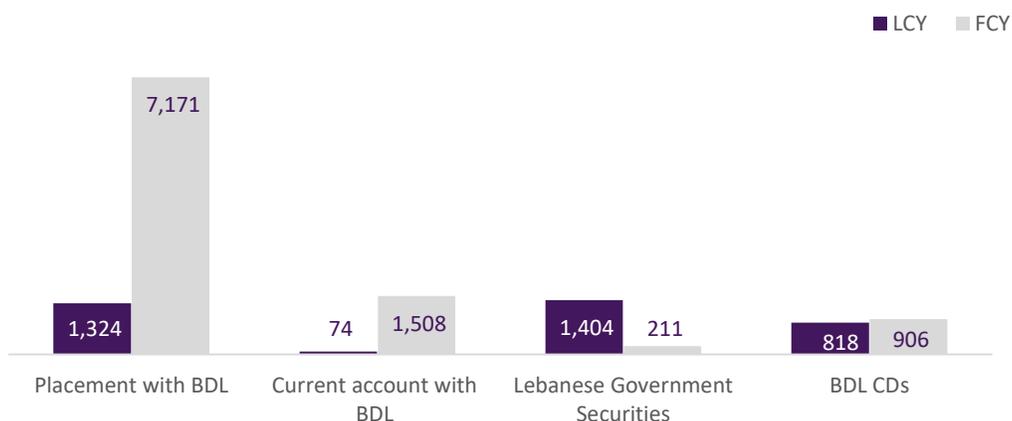
# Lebanese Sovereign Exposure

Total Lebanese Treasury Bills & Eurobonds and Central bank gross exposure (including BDL CDs) amounted to USD 13,416 million at the end of Dec-2021 out of which 73% denominated in foreign currency.

- ECL & Unrealized Losses on Lebanese Eurobonds amounted to CV USD 984 million at the end of Dec-2021 covering 86% of Lebanese Eurobonds exposure.
- ECL on BDL CDs and Central bank exposure amounted to CV USD 17 million and USD 190 million respectively at the end of Dec-2021 covering 2.2% of BDL Foreign currency exposure.
- Sovereign exposure ECL denominated in Foreign currency stands at USD 219 Million.

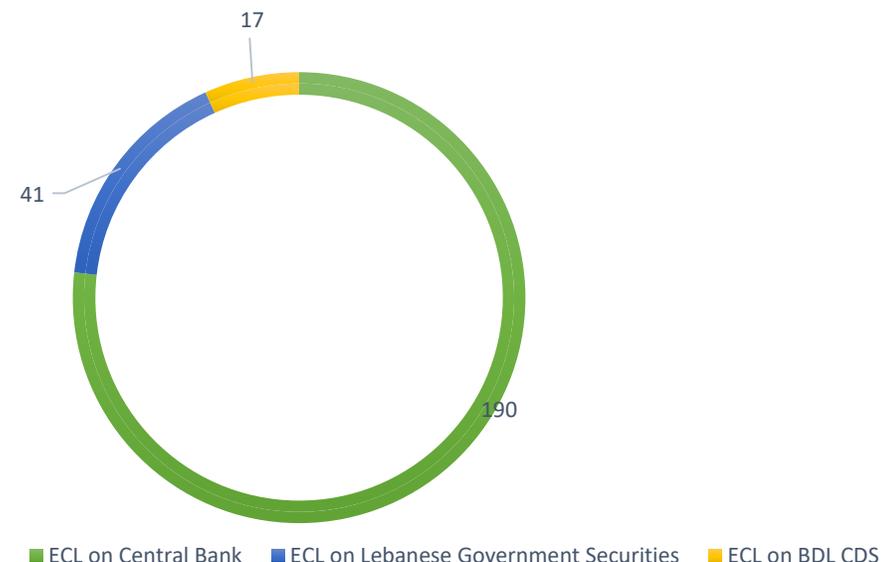
C/V USD Million

## Lebanese Sovereign Exposure



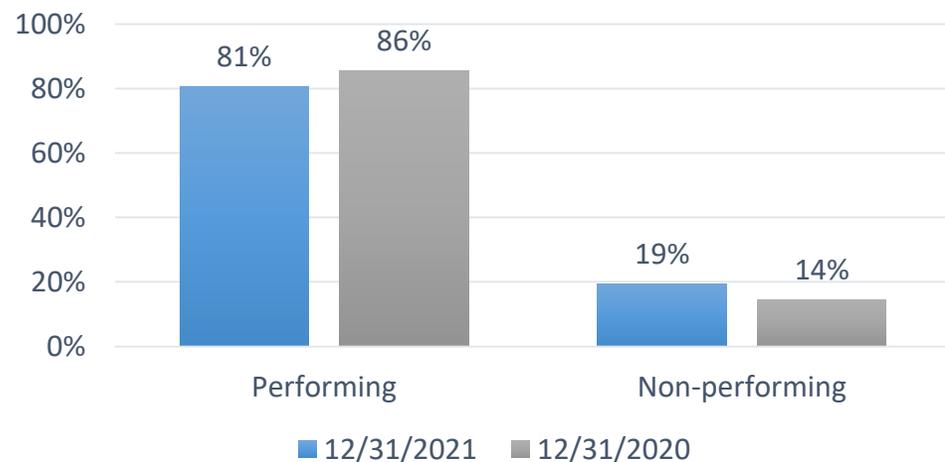
C/V USD Million

## ECL on Lebanese Sovereign Exposure

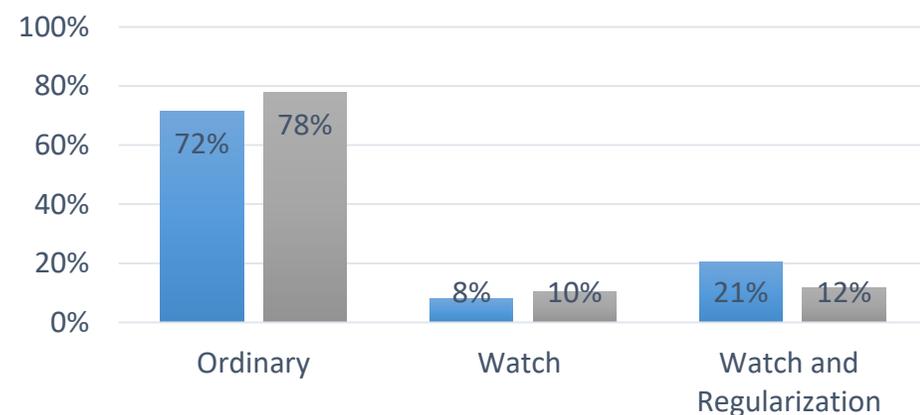


# Asset Quality

## Loans performance evolution



## Performing Loans evolution



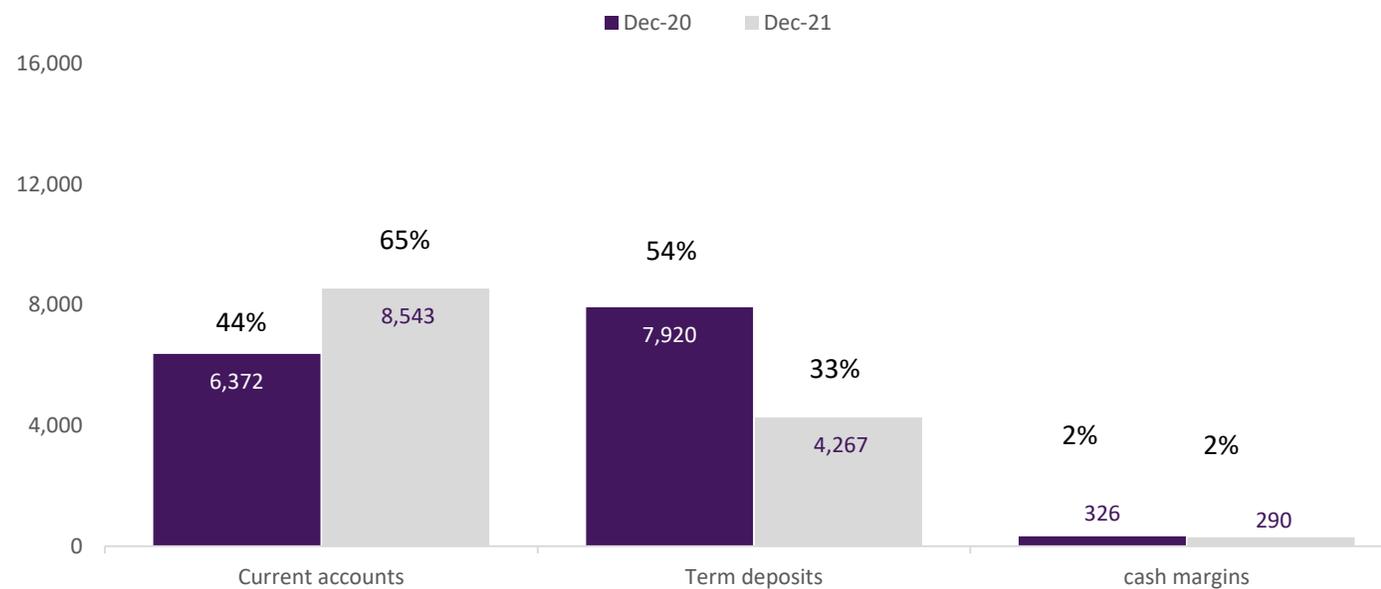
C/V USD Million	12/31/2020	12/31/2021
<b>Gross loans and advances to customers</b>	<b>2,985</b>	<b>2,274</b>
<b>Gross doubtful loans</b>	<b>431</b>	<b>440</b>
Substandard	99	101
Doubtful	283	318
Bad	49	21
<b>Reserved interests</b>	<b>(83)</b>	<b>(93)</b>
Substandard	(6)	(8)
Doubtful	(59)	(78)
Bad	(17)	(7)
<b>Specific provisions</b>	<b>(135)</b>	<b>(130)</b>
Substandard	-	-
Doubtful	(104)	(116)
Bad	(32)	(14)
<b>General and collective provisions</b>	<b>(151)</b>	<b>(175)</b>
Substandard / Total loans	3.3%	4.4%
Doubtful and bad / Total loans	11.1%	14.9%
Total Doubtful / Total Loans	14.4%	19.4%
Total Provisions and RI / Total loans	12.4%	17.5%
Total Provisions and RI / Doubtful & Bad loans	109.3%	114.9%
Total Provisions and RI / Gross classified loans	85.7%	90.5%
Specific Provisions & RI / Non-Performing Loans	63.7%	63.4%

# Customer Deposits

Total customers' deposits amounted to USD 13,194 million at the end of Dec-2021 decreasing by 11% USD 1,728 million compared to 2020.

## Customer Deposits

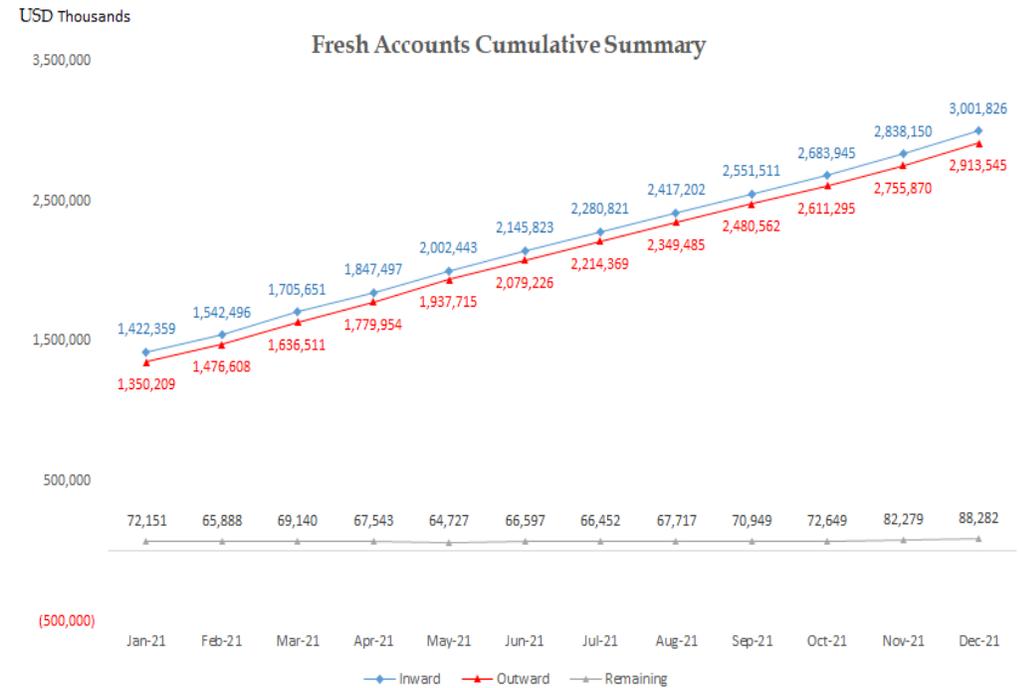
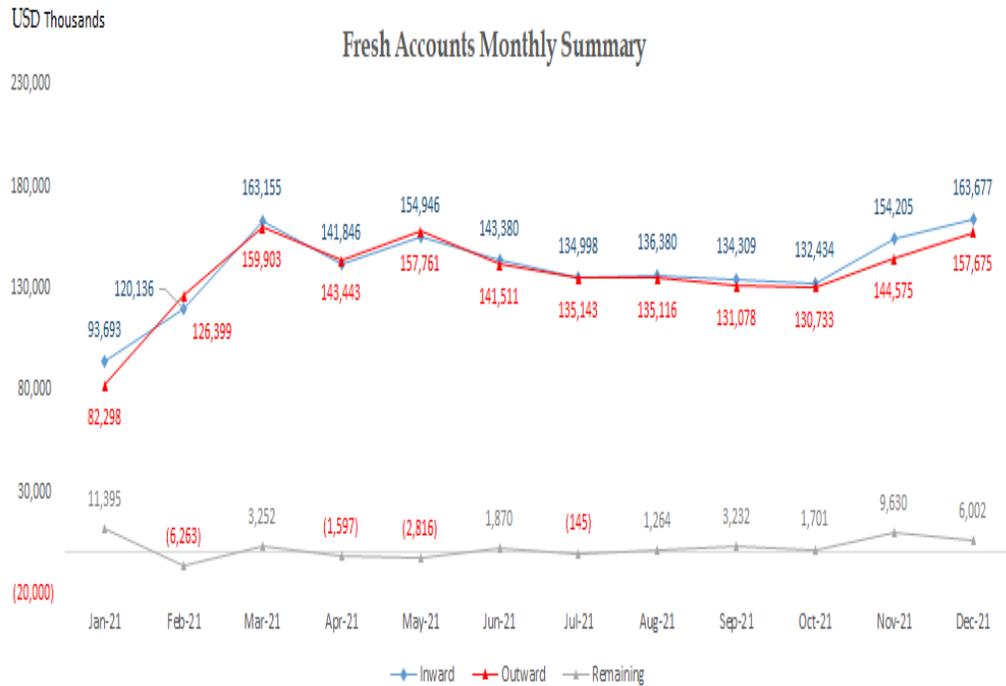
C/V USD Million



\* Figures excludes related parties deposits and accrued interest

# Customers' deposits Fresh accounts

Total customers' Fresh accounts amounted to USD 88.3 million at the end of Dec-2021, consistently decreased by a monthly average of USD 6 million with a cumulative inflow of USD 3 billion versus an outflow of 2.9 billion.



# Shareholders Equity

Total shareholders equity amounted to USD 1,769 million at the end of Dec-2021 increasing by 12% (USD 209 million).

*C/V USD Million*

	Dec-20	Dec-21
Share capital - Ordinary common	454	454
Cash Contribution To Capital	-	270
Share capital - Preferred	3	3
Premium on ordinary common shares	152	152
Premium on preferred shares	392	392
Non-distributable reserves (legal and obligatory)	669	664
Distributable reserves	64	64
Treasury shares	(6)	(6)
Retained earnings	(53)	(184)
Revaluation variance on real estates	4	4
Change in fair value of financial instruments through OCI	(14)	(11)
Foreign currency translation reserve	(41)	(44)
Other reserves	17	17
Net income for the year	(93)	(16)
Minority Interest	12	9
<b>Shareholders Equity</b>	<b>1,560</b>	<b>1,769</b>

Capital Adequacy Ratio reached 12.91% at the end of Dec-2021 compared to 11% at the end of Dec-2020 upon the completion of the cash contribution to capital for the amount of USD 270 million.

*C/V USD Million*

	31/12/2020		31/12/2021	
<b>CAR Ratios</b>	<b>Balance</b>	<b>Ratio</b>	<b>Balance</b>	<b>Ratio</b>
Common Equity Tier 1	1,955	11%	2,126	12.91%
Net Tier 1 Capital	1,658	9.33%	1,888	11.47%
Net Tier 1 & Tier 2 Capital	1,263	7.10%	1,223	7.43%

# Consolidated Income Statement

C/V USD Million

	Dec-20	Dec-21	Variance	%
Interest and similar income	1,265	1,009	(256)	-20%
Interest and similar expense	(716)	(314)	402	-56%
<b>Net Interest Income</b>	<b>549</b>	<b>695</b>	<b>146</b>	<b>27%</b>
Fees and commission income	92	79	(13)	-14%
Fees and commission expense	(7)	(30)	(23)	333%
<b>Net Fees and Commission Income</b>	<b>85</b>	<b>49</b>	<b>(36)</b>	<b>-42%</b>
Net gain or loss on financial instruments	(113)	(205)	(92)	81%
Other operating income	325	15	(310)	-95%
<b>Total operation income</b>	<b>846</b>	<b>553</b>	<b>(292)</b>	<b>-35%</b>
Credit loss expense	(705)	(284)	421	-60%
<b>Net operating income</b>	<b>141</b>	<b>270</b>	<b>129</b>	<b>91%</b>
Personnel expenses	(127)	(108)	19	-15%
Other operating expenses	(75)	(123)	(48)	64%
Depreciations	(19)	(17)	2	-10%
<b>Total operating expenses</b>	<b>(221)</b>	<b>(248)</b>	<b>(27)</b>	<b>12%</b>
<b>Operating profit</b>	<b>(80)</b>	<b>22</b>	<b>102</b>	<b>-127%</b>
Profit before tax	(80)	20	100	-125%
Income Tax Expense	(23)	(38)	(15)	64%
<b>Net profit</b>	<b>(104)</b>	<b>(18)</b>	<b>85</b>	<b>-82%</b>

Net loss amounted to USD 18 million in 2021 compared to a net loss of USD 104 million in 2020 driven mainly by the increase of the bank operating income due to the sharp decrease in its Cost of fund.

Profitability Ratios	2020	2021
Cost-To-Income	55.84%	37.09%
Operating Expenses/ Average Assets	1.03%	1.15%
Operating Expenses/ Average Customer Deposits	1.30%	1.47%
Net Interest Inc. / Total Operating Inc.	93.26%	125.57%
Net Commission Inc. / Total Operating Inc.	14.42%	8.84%
Net Financial Operations Inc. / Total Operating Inc.	-27.39%	-37.12%
Net Other Operating Inc. / Total Operating Inc.	19.71%	2.71%

# Interest Spread

- Net Interest Spread reached 3.02 % at the end of Dec-2021 compared to 1.94 % at the end of Dec-2020 showing an increase of 1.08 %. 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 4.25% at the end of Dec-2021 compared to 3.50% at the end of Dec-2020.
- Net interest Spread in FCY Reached 2.26% at the end of Dec-2021 compared to 1.05% at the end of Dec-2020.

