



Byblos Bank Achieves Growth in the First Half of 2016

Byblos Bank Headquarters, Tuesday, 26 July 2016: Byblos Bank announced adequate results in the first half of 2016. Net profit stood at USD 73.8 million as at 30 June 2016, as compared to USD 69.6 million in the same period of last year. This increase of 6% in net profit was achieved despite adverse economic conditions, locally and regionally, and intensified efforts to reduce risks amidst significant challenges that continue to impact the markets in which the Bank operates.

Byblos Bank, therefore, sustained its prudent strategy and long-held conservative approach, based on preserving strong asset quality, a diversified loan portfolio, and a robust customer deposit base. On the other hand, it continued its policy of strict provisioning against possible credit losses, with a coverage ratio going well above 100%. The Bank also posted strong liquidity of 51% of total assets and a Basel III Capital Adequacy Ratio of 17.7%, far surpassing the regulatory requirement of 12% for end-2015.

Total assets grew 2.8% (+USD 564 million) in the first half of 2016 to USD 20,434 million as at 30 June 2016, while customer deposits rose 3.1% (+USD 513 million) in the first half of 2016 to USD 17,150 million, and net customer loans rose by 1.9% (+USD 92 million) to USD 5,024 million.

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BYBLOS BANK ^{SAL}

CAPITAL LBP 689,113,198,400 FULLY PAID, TOTAL EQUITY LBP 2,925,307,539,000
C.R.B.14150, LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS As at 30 June 2016 (LBP millions)	Unaudited	Audited
	30-June-16	31-Dec-15
Cash and balances with central banks	7,802,773	7,236,237
Due from banks and financial institutions	2,381,640	2,518,365
Loans to banks and financial institutions and reverse repurchase agreements	1,012,658	1,197,047
Financial assets given as collateral	1,405	1,405
Derivative financial instruments	3,936	1,844
Shares and participations held at fair value through profit or loss	35,512	35,669
Debt instruments and other financial assets held at fair value through profit or loss of which: Net loans and advances designated at fair value through profit or loss	941,357	260,176
Net loans and advances to customers at amortized cost*	7,536,538	7,399,641
Net loans and advances to related parties at amortized cost	37,004	35,275
Debtors by acceptances	203,784	244,705
Shares and participations held at fair value through other comprehensive income	99,587	101,906
Debt instruments held at amortized cost	10,265,063	10,516,514
Property and equipment	264,983	255,124
Intangible assets	39,061	494
Assets taken in settlement of debt	43,057	42,006
Other assets	136,509	108,001
TOTAL ASSETS*	30,804,867	29,954,409

(*) After Deducting:

Reserved Interest on sub-standard, doubtful, and bad loans	95,155	80,672
Specific Provisions for doubtful and bad loans	193,684	183,738
Provisions Based on Collective Assessment	149,581	131,448

LIABILITIES AND EQUITY

As at 30 June 2016 (LBP millions)	Unaudited	Audited
	30-June-16	31-Dec-15
LIABILITIES		
Due to central banks	139,007	117,413
Due to banks and financial institutions	691,209	744,554
Derivative financial instruments	5,739	2,445
Customers' deposits at amortized cost	25,450,602	24,658,431
Deposits from related parties at amortized cost	403,209	421,716
Engagements by acceptances	203,877	244,705
Debt issued and other borrowed funds	444,218	445,199
Other liabilities	215,736	147,566
Provision for risks and charges	325,963	171,538
Subordinated notes	418,758	417,400
TOTAL LIABILITIES	28,298,318	27,370,967

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

As at 30 June 2016 (LBP millions)	Unaudited	Audited
	30-June-16	31-Dec-15
Share capital – Common ordinary shares	684,273	684,273
Share capital – Preferred shares	4,840	4,840
Issue premium – Common ordinary shares	229,013	229,013
Issue premium – Preferred shares	591,083	591,083
Reserves not available for distribution (legal and statutory)	876,300	815,885
Reserves available for distribution	104,169	99,211
Treasury shares	(7,479)	(6,807)
Retained earnings	62,072	61,832
Revaluation reserve of real estate	5,689	5,689
Reserve on revaluation of financial assets at fair value through OCI	(10,590)	(7,961)
Net results of the financial period - profit	102,278	228,184
Foreign currency translation reserve	(205,895)	(193,842)
	2,435,753	2,511,400
NON-CONTROLLING INTEREST	70,796	72,042
TOTAL EQUITY	2,506,549	2,583,442
TOTAL LIABILITIES AND EQUITY	30,804,867	29,954,409

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016 (LBP millions)	Unaudited 30-Jun-16	Audited 31-Dec-15
OFF-BALANCE SHEET ITEMS		
Financing Commitments		
Financing commitments given to banks & financial institutions	301,674	376,038
Financing commitments received from banks & financial institutions	95,895	104,860
Engagement to customers	2,507,378	2,344,258
Bank guarantees		
Guarantees given to banks & financial institutions	274,111	278,610
Guarantees given to customers	1,010,273	972,772
Guarantees received from customers	26,886,139	26,566,462
Foreign Currencies Forwards		
Foreign currencies to receive	481,117	413,705
Foreign currencies to deliver	483,492	414,305
Claims from legal cases	42,405	42,028
Fiduciary assets	169,956	149,513
Asset under management	3,209,681	3,296,110
Bad debts fully provided for	119,793	118,539

CONSOLIDATED INCOME STATEMENT

Period ended 30 June 2016 (LBP millions)	Unaudited 30-Jun-16	Unaudited 30-Jun-15
Interest and similar income	763,266	732,421
Interest and similar expense	(580,207)	(539,727)
NET INTEREST INCOME	183,059	192,694
Fees and Commissions income	66,684	67,406
Fees and Commissions expense	(6,215)	(6,325)
NET FEES AND COMMISSIONS INCOME	60,469	61,081
Net gain from financial instruments at fair value through profit or loss	53,177	44,784
of which: interest revenues/charges	23,435	5,591
Net gain or loss on financial assets at amortized cost	64,500	42,265
Revenue from financial assets at fair value through other comprehensive income	4,479	3,914
Other operating income	11,306	9,987
TOTAL OPERATING INCOME	376,990	354,725
Credit loss expense	(35,782)	(20,365)
NET OPERATING INCOME	341,208	334,360
Personnel expenses	(102,964)	(96,731)
Depreciation and amortization	(10,177)	(11,726)
Amortisation of intangibles assets	(229)	(229)
Other operating expenses	(63,142)	(60,799)
TOTAL OPERATING EXPENSES	(176,512)	(169,485)
OPERATING PROFIT	164,696	164,875
Provision for risks and charges	(18,833)	(32,775)
PROFIT BEFORE TAX	145,863	132,100
Income tax expense	(34,690)	(27,194)
PROFIT FOR THE PERIOD	111,173	104,906
Attributable to:		
Equity holders of the parent	102,278	95,361
Minority interests	8,895	9,545
	111,173	104,906
Earnings per share		
Equity holders of the parent for the period:	LL	LL
Basic earnings per share - Common ordinary shares	138.63	126.30
Diluted earnings per share - Common ordinary shares	134.38	124.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2016 (LBP millions)	Unaudited 30-Jun-16	Unaudited 30-Jun-15
PROFIT FOR THE PERIOD	111,173	104,906
OTHER COMPREHENSIVE INCOME (LOSS)		
Items to be reclassified to the income statement in subsequent periods:		
Exchange difference on translation of foreign operations	(18,861)	(29,670)
Net other comprehensive loss to be reclassified to the income statement in subsequent periods	(18,861)	(29,670)
Items not to be reclassified to the income statement in subsequent periods:		
Net unrealized loss from financial assets at fair value through other comprehensive income	(2,583)	(5,798)
Income tax effect	(46)	868
Net other comprehensive income not to be reclassified to the income statement in subsequent periods	(2,629)	(4,930)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD NET OF TAX	(21,490)	(34,600)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	89,683	70,306
Attributable to:		
Equity holders of the parent	87,595	68,257
Non-controlling interests	2,088	2,049
	89,683	70,306