

**Byblos Bank Announces Financial Results
for First Quarter of 2019**

USD Million	Q1 2018	Q1 2019
Net Profit	28	27
Total Assets	23,086	25,366
Customer Deposits	18,134	18,505
Net Advances to Customers	5,523	5,310
Total Equity	2,185	2,229
Net Interest Margin	1.38%	1.12%
Operating Expenses/Average Assets	1.06%	0.94%
Offshore Foreign Currency Liquidity/ FCY Customer Deposits	15.20%	16.23%
Loan Provisioning Coverage Ratio	86.07%	88.97%

BEIRUT, 25 April 2019: Byblos Bank posted net profit of USD 27 million for the first three months of 2019, a decrease of USD 0.9 million, or 3%, from the same period of 2018. Indeed, a number of factors affected the level of profitability. This included the high liquidity levels maintained by the bank in view of political and economic uncertainties, the increased cost of deposits, and additional provisions against possible credit risks.

Short-term foreign currency liquidity – in the form of short-term placements with above-investment-grade institutions – accounted for 16.23% of Byblos Bank’s foreign currency deposits in the first quarter of 2019, far above internal and international benchmarks. Furthermore, the Bank’s Basel III Capital Adequacy Ratio remained at over 17%, once again well above the minimum regulatory requirement of 15%.

Byblos Bank continues to focus on containing operating costs through productivity-led initiatives and cost-control measures. The ratio of operating expenses to average assets improved from 1.06% as at end-March 2018 to 0.94% as at end-March 2019.

In addition, the difficult economic environment has led our lending teams to focus on working out solutions for some of the Bank’s customers. As a result, we were able to achieve a comfortable provision coverage ratio of 88.97% against an acceptable non-performing loan ratio of 4.16%.

For the rest of 2019, the Bank will maintain its successful policy of prudence in the face of persistent geopolitical challenges, and will consider taking further precautions to protect the interests of its customers and shareholders.

For further information, please contact:

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CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2019

**CAPITAL LBP 689,113,198,400 FULLY PAID,
TOTAL EQUITY LBP 3,359,872,494,000 | C.R.B.14150,
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019 (LBP millions)	Unaudited 31-Mar-19	Audited 31-Dec-18
ASSETS		
Cash and balances with central banks	17,348,642	16,324,122
Due from banks and financial institutions	3,707,977	3,864,751
Loans to banks and financial institutions and reverse repurchase agreements	334,060	363,633
Derivative financial instruments	2,472	1,899
Financial assets held at fair value through profit or loss	91,606	90,491
Net loans and advances to customers at amortized cost	7,980,350	8,178,229
Net loans and advances to related parties at amortized cost	24,683	24,931
Debtors by acceptances	284,367	362,091
Financial assets held at fair value through other comprehensive income	277,527	228,429
Financial assets held at amortized cost	7,729,646	7,776,276
Property and equipment	290,300	289,537
Intangible assets	125	153
Assets taken in settlement of debt	53,796	51,405
Other assets	127,780	141,881
TOTAL ASSETS	38,253,331	37,697,828

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As at 31 March 2019 (LBP millions)	Unaudited 31-Mar-19	Audited 31-Dec-18
LIABILITIES AND EQUITY		
LIABILITIES		
Due to central banks	4,489,337	3,870,523
Due to banks and financial institutions	1,161,806	1,266,070
Derivative financial instruments	1,738	1,802
Customers' deposits at amortized cost	27,658,679	27,418,142
Deposits from related parties at amortized cost	237,715	421,172
Engagements by acceptances	284,754	362,091
Debt issued and other borrowed funds	458,994	451,301
Other liabilities	384,544	354,777
Provisions for risks and charges	215,891	230,423
Subordinated notes	427,078	426,418
TOTAL LIABILITIES	35,320,536	34,802,719
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)	982,368	982,040
Reserves available for distribution	118,080	116,652
Treasury shares	(7,433)	(7,105)
Retained earnings	314,518	77,050
Revaluation reserve of real estate	5,689	5,689
Change in fair value of financial assets at fair value through other comprehensive income	(14,494)	(15,462)
Net results of the financial year - profit	38,848	238,940
Foreign currency translation reserve	(54,573)	(50,603)
	2,892,213	2,856,411
NON-CONTROLLING INTEREST	40,582	38,698
TOTAL EQUITY	2,932,795	2,895,109
TOTAL LIABILITIES AND EQUITY	38,253,331	37,697,828

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OFF-BALANCE SHEET ITEMS		
Financing Commitments		
Financing commitments given to banks & financial institutions	333,515	466,236
Financing commitments received from banks & financial institutions	102,567	106,946
Engagement to customers	1,810,389	2,118,760
Bank guarantees		
Guarantees given to banks & financial institutions	188,130	194,968
Guarantees given to customers	847,509	869,333
Guarantees received from customers	28,335,195	28,046,500
Foreign Currencies Forwards		
Foreign currencies to receive	346,050	330,105
Foreign currencies to deliver	345,198	330,010
Claims from legal cases	66,876	66,865
Fiduciary assets	197,406	193,835
Asset under management	2,582,920	2,569,033
Bad debts fully provided for	233,567	241,184

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CONSOLIDATED INCOME STATEMENT

Period ended 31 March 2019 (LBP millions)	Unaudited 31-Mar-19	Unaudited 31-Mar-18
Interest and similar income	599,245	464,084
Less: Tax on interest	(26,935)	(11,791)
Interest and similar income (net of tax on interest)	572,310	452,293
Interest and similar expense	(476,619)	(347,500)
NET INTEREST INCOME	95,691	104,793
Fees and Commissions income	39,982	40,259
Fees and Commissions expense	(3,721)	(2,771)
NET FEES AND COMMISSIONS INCOME	36,261	37,488
Net gain on financial assets fair value through profit or loss	10,060	7,826
of which: interest revenues/charges	611	3,394
Revenue from financial assets at fair value through other comprehensive income	-	1,143
Net (loss) gain on financial assets at amortized cost	(1,202)	257
Other operating income	6,408	3,544
TOTAL OPERATING INCOME	147,218	155,051
Credit loss expense	(5,601)	(5,590)
NET OPERATING INCOME	141,617	149,461
Personnel expenses	(52,008)	(53,350)
Depreciation of property plant and equipment	(5,323)	(5,099)
Amortisation of intangibles assets	(28)	(28)
Other operating expenses	(31,870)	(32,967)
TOTAL OPERATING EXPENSES	(89,229)	(91,444)
OPERATING PROFIT	52,388	58,016
Provisions for risks and charges	(2,623)	(4,459)
Net gain from disposal of property and equipment	1,701	27
PROFIT BEFORE TAX	51,466	53,584
Income tax expense	(10,879)	(11,597)
PROFIT FOR THE PERIOD	40,587	41,987
Attributable to:		
Equity holders of the parent	38,848	40,882
Non-controlling interests	1,739	1,105
	40,587	41,987
Earnings per share		
Equity holders of the parent for the period:	LL	LL
Basic earnings per share	47.48	51.07
Diluted earnings per share	47.48	51.07

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2019 (LBP millions)	Unaudited 31-Mar-19	Unaudited 31-Mar-18
PROFIT FOR THE PERIOD	40,587	41,987
OTHER COMPREHENSIVE INCOME (LOSS)		
Items to be reclassified to the income statement in subsequent periods:		
Exchange difference on translation of foreign operations	(4,192)	5,531
Net other comprehensive (loss) gain to be reclassified to the income statement in subsequent periods	(4,192)	5,531
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	1,122	2,845
Income tax effect	(155)	(465)
	967	2,380
Net other comprehensive income not to be reclassified to the income statement in subsequent periods	967	2,380
OTHER COMPREHENSIVE (LOSS) GAIN FOR THE PERIOD NET OF TAX	(3,225)	7,911
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	37,362	49,898
Attributable to:		
Equity holders of the parent	35,790	48,834
Non-controlling interests	1,572	1,064
	37,362	49,898