



## **Byblos Bank Releases Financial Results for First Half of 2017**

*Consolidated Activity Highlights as at end-June 2017:*

- *USD 21.8 billion in Assets*
- *USD 17.8 billion in Customer Deposits*
- *USD 5.3 billion in Net Customer Loans*
- *USD 2.0 billion in Total Equity*
- *USD 66.3 million in Net Profit*

**Byblos Bank Headquarters, Wednesday 26 July 2017:** Byblos Bank achieved adequate financial results in the first half of 2017, with Customer Deposits and Customer Loans growing by 4.3% and 2% respectively, to reach USD 17.8 billion and USD 5.3 billion. Net Profit decreased by 9%, resulting from the Bank's deconsolidation of investments in both Syria and Sudan, along with its adoption of a conservative strategy amid the uncertainties prevailing in the region and in the markets where it operates.

Advised by the Board of Directors, this conservative strategy entails a prudent lending policy, a lower risk appetite in some overseas markets and high liquidity levels among other. It is especially conceived to sustain the Bank's financial solidity, guaranteeing long-term protection and stability for shareholders.

Byblos Bank's immediate foreign-currency liquidity reached 15% as at end of June 2017. While made in the form of short-term placements with investment- and above-investment-grade institutions, it highly exceeds local and international benchmarks. Its Basel III Capital Adequacy Ratio was maintained at above 18% as at end of March 2017, versus recently issued BDL regulatory requirements that raised the minimum to 15% by end-2018.

Byblos Bank continues with its plans and projects aiming to improve its business-development activities, increase staff productivity and leverage resources. These plans and projects will ensure that it is well-positioned to capitalize on potential expansion opportunities and achieve an improvement in profitability in the long term.

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# CONSOLIDATED FINANCIAL STATEMENTS

## As at 30 June 2017

**CAPITAL LBP 689,113,198,400 FULLY PAID,  
TOTAL EQUITY LBP 3,084,444,000,000 | C.R.B.14150,  
LIST OF BANKS NO. 39, HEAD OFFICE - BEIRUT**



### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017 (LBP millions)

	Unaudited 30-Jun-17	Audited 31-Dec-16
<b>ASSETS</b>		
Cash and balances with central banks	10,691,260	8,783,092
Due from banks and financial institutions	3,468,723	2,657,429
Loans to banks and financial institutions and reverse repurchase agreements	417,966	964,066
Financial assets given as collateral	224,001	224,044
Derivative financial instruments	4,033	4,420
Shares and participations held at fair value through profit or loss	29,556	40,065
Debt instruments and other financial assets held at fair value through profit or loss	368,544	749,107
Net loans and advances to customers at amortized cost*	7,943,144	7,787,274
Net loans and advances to related parties at amortized cost	21,834	20,714
Debtors by acceptances	316,464	223,883
Shares and participations held at fair value through other comprehensive income	103,299	101,305
Debt instruments held at amortized cost	8,845,822	9,416,979
Property and equipment	259,195	247,095
Intangible assets	324	380
Assets taken in settlement of debt	43,930	43,299
Other assets	112,654	110,438
<b>TOTAL ASSETS*</b>	<b>32,850,749</b>	<b>31,373,590</b>

(\*) After Deducting:

Reserved Interest on sub-standard, doubtful, and bad loans	63,350	53,964
Specific Provisions for doubtful and bad loans	160,383	158,278
Provisions Based on Collective Assessment	85,535	78,643

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### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017 (LBP millions)	Unaudited 30-Jun-17	Audited 31-Dec-16
<b>LIABILITIES</b>		
Due to central banks	363,630	332,971
Due to banks and financial institutions	1,108,443	774,095
Derivative financial instruments	3,709	2,106
Customers' deposits at amortized cost	26,493,025	25,415,634
Deposits from related parties at amortized cost	397,177	366,028
Engagements by acceptances	316,464	223,883
Debt issued and other borrowed funds	453,585	444,072
Other liabilities	319,544	374,911
Provisions for risks and charges	310,730	300,292
Subordinated notes	421,484	420,165
<b>TOTAL LIABILITIES</b>	<b>30,187,791</b>	<b>28,654,157</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
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)	924,627	843,320
Reserves available for distribution	110,616	103,246
Treasury shares	(5,692)	(5,161)
Retained earnings	50,302	67,517
Revaluation reserve of real estate	5,689	5,689
Reserve on revaluation of financial assets at fair value through OCI	(8,418)	(9,081)
Net results of the financial year - profit	96,857	232,670
Foreign currency translation reserve	(56,919)	(65,340)
	<b>2,626,272</b>	<b>2,682,070</b>
NON-CONTROLLING INTEREST	36,686	37,363
<b>TOTAL EQUITY</b>	<b>2,662,958</b>	<b>2,719,433</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>32,850,749</b>	<b>31,373,590</b>

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### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017 (LBP millions)

	Unaudited 30-Jun-17	Audited 31-Dec-16
<b>OFF-BALANCE SHEET ITEMS</b>		
<b>Financing Commitments</b>		
Financing commitments given to banks & financial institutions	351,842	401,809
Financing commitments received from banks & financial institutions	96,443	106,680
Engagement to customers	3,004,618	2,774,764
<b>Bank guarantees</b>		
Guarantees given to banks & financial institutions	156,446	179,274
Guarantees given to customers	885,885	913,621
Guarantees received from customers	25,164,168	25,628,287
<b>Foreign Currencies Forwards</b>		
Foreign currencies to receive	563,953	310,601
Foreign currencies to deliver	563,537	308,153
<b>Claims from legal cases</b>	<b>44,476</b>	<b>44,452</b>
<b>Fiduciary assets</b>	<b>161,403</b>	<b>162,722</b>
<b>Asset under management</b>	<b>3,365,280</b>	<b>3,084,620</b>
<b>Bad debts fully provided for</b>	<b>174,397</b>	<b>167,558</b>

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### CONSOLIDATED INCOME STATEMENT

Period ended 30 June 2017 (LBP millions)	Unaudited 30-Jun-17	Unaudited 30-Jun-16
Interest and similar income	811,025	764,809
Interest and similar expense	(615,566)	(580,207)
<b>NET INTEREST INCOME</b>	<b>195,459</b>	<b>184,602</b>
Fees and Commissions income	68,451	66,684
Fees and Commissions expense	(6,079)	(6,215)
<b>NET FEES AND COMMISSIONS INCOME</b>	<b>62,372</b>	<b>60,469</b>
Net gain from financial instruments at fair value through profit or loss of which: interest revenues/charges	29,981 20,812	53,177 23,435
Net gain or loss on financial assets at amortized cost	2,531	33,135
Revenue from financial assets at fair value through other comprehensive income	4,406	3,865
Other operating income	14,089	11,306
<b>TOTAL OPERATING INCOME</b>	<b>308,838</b>	<b>346,554</b>
Credit loss expense	(6,888)	(18,222)
<b>NET OPERATING INCOME</b>	<b>301,950</b>	<b>328,332</b>
Personnel expenses	(102,875)	(102,964)
Depreciation and amortization	(10,050)	(10,350)
Amortisation of intangibles assets	(56)	(56)
Other operating expenses	(62,841)	(70,617)
Provision for risks and charges	(5,224)	(11,171)
<b>TOTAL OPERATING EXPENSES</b>	<b>(181,046)</b>	<b>(195,158)</b>
<b>PROFIT BEFORE TAX</b>	<b>120,904</b>	<b>133,174</b>
Income tax expense	(20,996)	(23,295)
<b>PROFIT FOR THE PERIOD</b>	<b>99,908</b>	<b>109,879</b>
<b>Attributable to:</b>		
Equity holders of the parent	96,857	100,984
Minority interests	3,051	8,895
	<b>99,908</b>	<b>109,879</b>
<b>Earnings per share</b>		
Equity holders of the parent for the period:	LL	LL
Basic earnings per share	128.89	136.33
Diluted earnings per share	126.45	132.48

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### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2017 (LBP millions)	Unaudited 30-Jun-17	Unaudited 30-Jun-16
<b>PROFIT FOR THE PERIOD</b>	<b>99,908</b>	<b>109,879</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Items to be reclassified to the income statement in subsequent periods:		
Exchange difference on translation of foreign operations	8,274	(18,946)
Net other comprehensive gain (loss) to be reclassified to the income statement in subsequent periods	8,274	(18,946)
Items not to be reclassified to the income statement in subsequent periods:		
Net unrealized gain (loss) from financial assets at fair value through other comprehensive income	768	(3,094)
Income tax effect	(106)	464
<b>Net other comprehensive income (loss) not to be reclassified to the income statement in subsequent periods</b>	<b>662</b>	<b>(2,630)</b>
<b>OTHER COMPREHENSIVE GAIN (LOSS) FOR THE PERIOD NET OF TAX</b>	<b>8,936</b>	<b>(21,576)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>108,844</b>	<b>88,303</b>
<b>Attributable to:</b>		
Equity holders of the parent	105,941	86,301
Non-controlling interests	2,903	2,002
	<b>108,844</b>	<b>88,303</b>