

Byblos Bank Announces 2018 Results

USD Million	2017	2018
Net Profit	170	165
Average Return on Common Equity	9.35%	8.76%
Total Assets	22,661	25,000
Customer Deposits	18,002	18,467
Net Advances to Customers	5,449	5,448
Total Equity	2,160	2,203
Net Interest Margin	1.51%	1.54%
Operating Expenses/Average Assets	1.06%	0.98%
Cost-to-Income Ratio	50.68%	49.73%
Offshore Foreign Currency Liquidity/ FCY Customer Deposits	16.45%	16.51%
Loan Provisioning Coverage Ratio	82.59%	86.95%

Byblos Bank Headquarters, Tuesday, 29 January 2019: Byblos Bank's performance for the year 2018 was in line with expectations. The Bank posted adequate net profits of USD 165 million for 2018, a decrease of 3.3% (-USD 5.6 million) from 2017 but acceptable given the adverse economic conditions. The lack of profit growth is attributable to several factors, including the effects of the first full accounting year under the "double taxation" on banks, the opportunity cost of maintaining high liquidity, as well as the increase in provisions allocated for possible loan losses due to the deteriorating financial and economic environment. As a result, average return on common equity stood at 8.76% as at end-December 2018, down from 9.35% the previous year.

Short-term foreign currency liquidity – in the form of short-term placements with above-investment-grade institutions – accounted for 16.51% of foreign currency deposits as at end-December 2018, surpassing both 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 also continues to efficiently manage its costs, which enabled it to reduce its ratio of operating expenses to average assets to 0.98% as at end-2018, compared to 1.06% for 2017.

Furthermore, Byblos Bank ensured sufficient loan provisioning for the year 2018, with a comfortable coverage ratio of 86.95% against an acceptable non-performing loan ratio of 4.31%. This was thanks to proactive work by the Bank's various teams in providing



credit solutions to the borrowing relationships affected by the continuingly weak economic growth.

During 2019, Byblos Bank will stand by its successful policy of prudence in view of additional geopolitical challenges, and continue to consider taking any additional precautions which may be required to protect the interests of its customers and its shareholders. Last but not least, Byblos Bank's teams will continue to push technology and human resources initiatives in order to further improve services to its customers, reduce costs, and improve productivity.

###

For further information, please contact:

Ziad El Zoghbi

Head of Finance and Administration Division

Phone: +961 1335 280

Email: zelzoghbi@byblosbank.com.lb