



Byblos Bank Posts Adequate Financial Results In First Quarter of 2018

Consolidated Activity Highlights as at 31 March 2018:

- USD 23.1 billion in Assets
- USD 18.1 billion in Deposits
- USD 5.5 billion in Net Loans
- USD 2.2 billion in Total Equity
- USD 28 million in Net Profit

Byblos Bank Headquarters, Wednesday, 25 March 2018: Byblos Bank keeps its prudent strategy unchanged by maintaining high liquidity levels in view of the state of instability in the region.

In the first quarter of 2018, the recently introduced “double taxation” on banks in Lebanon has started to adversely affect the Bank’s profitability, as net interest margin dropped by 10 basis points to 1.29%. As a measure originally intended to help the government reduce its budget deficit and enact overdue but necessary reforms, this “double taxation” is nonetheless expected to decrease the profitability of the banking sector in 2018. In the first quarter of 2018, Byblos Bank’s Net Profit stood at USD 28 million (a decrease of 3% in comparison with the first quarter of 2017).

Byblos Bank’s Board of Directors and Management is looking forward to see policymakers take concrete – and most likely painful — actions to tackle some of the most pressing policy issues and enact medium- and long-term macroeconomic reforms to improve governance and accountability within the public sector; offer efficient and affordable social services; and create a business friendly environment. The Board of Directors and Management of Byblos Bank consider CEDRE conference as a critical opportunity that offers the needed momentum for the upcoming parliament and council of ministers to resume the needed reforms and investment projects.

Meanwhile, the Bank remains fully committed to its conservative strategy by focusing, among others, on maintaining asset quality and capital protection, rather than maximizing return for the short term and engaging in unnecessary risks. It also looks to cautiously grow and diversify its loan portfolio for individuals and businesses. The Bank’s Net Interest Income will continue to account for more than 70% of its Operating Income. As at end March 2018, its Net Customer Loans reached USD 5.5 billion (+1.8% as compared to end December 2017), while its Customer Deposits stood at USD 18.1 billion (+0.7% as compared to end December 2017), which leaves the Bank with a strong potential to expand its lending portfolio when the economic recovery picks up in Lebanon and in the overseas

markets where it operates. Cost was maintained under strict control, with Operating Expenses to Average Total Assets improving to 1.06% versus 1.09% in the same period of last year.

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