



Byblos Bank confirms its solid financial position at end 2016

Consolidated Activity Highlights as at end-December 2016:

- USD 20.8 billion in Assets
- USD 17.1 billion in Deposits
- USD 5.2 billion in Loans
- USD 2.1 billion in Total Equity
- USD 165 million in Net Profit

Byblos Bank Headquarters, 26 January 2017: Byblos Bank overall results for 2016 were satisfactory given the difficult economic and financial conditions in Lebanon and the region.

Lower oil prices and revenues in several countries in the region, in addition to military conflicts, have drained important financial resources that were, directly or indirectly, benefiting the Lebanese economy and the economies in which Byblos Bank does business (i.e., Iraq, Africa).

Byblos Bank recorded, as at 31 December 2016, a net profit of USD 165 million, slightly higher than USD 161 million posted in 2015.

The Bank's conservative loan growth of 5% continues to be aligned with its low risk appetite, and its objective to maintain a strong and healthy loan portfolio in a persisting difficult environment. In addition, the Bank seeks to preserve its high liquidity of 55% and solid capital adequacy ratio of more than 16% in September 2016 (versus the required 14%). These high levels reflecting the Bank's financial strength will enable it to be better prepared in case of unforeseen events and act swiftly on important business opportunities.

The exceptional gains resulting from the swap transactions undertaken with the Central Bank of Lebanon, were in part used for writing off Byblos Bank's investments in its subsidiaries in both Sudan and Syria and deconsolidate its operations there. Moreover, the Bank has allocated an important part of these gains as provisions in preparation for the implementation of the International Financial Reporting Standard IFRS-9 due in 2018. Any potential retrieval of such provisions will be partly used to strengthen the Bank's capital to allow further expansion in its domestic and overseas markets.

Meanwhile, Byblos Bank's business strategy will continue to focus on building a healthy loan portfolio of both domestic and international businesses, and on further consolidating its strong consumer franchise as well as on diversifying lending in a way that reduces exposure to sovereign risk. Plans undertaken to increase the use of technology, simplify Bank processes, and deploy well-targeted employee training programs will also help in ensuring an optimal service quality to customers and improving work environment for staff members.

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