



## **Byblos Bank confirms its solid financial position at end 2017**

Consolidated Activity Highlights as at end-December 2017:

- USD 22.7 billion in Assets
- USD 18 billion in Deposits
- USD 5.4 billion in Loans
- USD 2.2 billion in Total Equity
- USD 170 million in Net Profit

**Byblos Bank Headquarters, Monday 29 January 2018:** The domestic political crisis, during the last quarter of 2017, demonstrated Byblos Bank's wise strategy for maintaining high liquidity levels to mitigate the effects of unpredictable shocks. Given Lebanon's conditions, Byblos Bank's Board of Directors and Management remain fully committed to their conservative strategy by focusing, among others, on maintaining asset quality and protecting capital, rather than maximizing return for the short term and engaging in unnecessary risks.

Thanks to its proactive and effective management of its sovereign debt, along with its high liquidity levels in both LBP and USD, Byblos Bank's Net Interest Margin was maintained at about the same 2016 level of 1.44%. As a deposit-taking institution looking to continuously grow and diversify its loan portfolio for individuals and businesses, Byblos Bank's Net Interest Income accounted for more than 67% of its Operating Income.

Customer Deposits stood at USD 18 Billion (+5.3%) while net Customer Loans reached USD 5.4 Billion (+5.2%) as at end 2017, leaving the Bank with a strong potential to expand its lending portfolio when economic recovery picks up in Lebanon and the overseas markets where it operates. Net Profit stood at USD 170 million, slightly higher than the USD 165 million posted in 2016 (+2.91%), but in line with its low risk appetite and objective to maintain a strong and healthy loan portfolio in a persisting difficult environment. As a result, the Bank's Return on Average Assets (ROAA) and Return on Average Common Equity (ROCE) stood respectively at 0.78% and 9.35%.

Cost was maintained under strict control, with Operating Expenses to Average Total Assets improving to 1.06%. In addition, Byblos Bank, thanks to cost optimization measures, posted a steady Cost-to-Income ratio of 51%.

The newly introduced "double taxation" on banks in Lebanon, which aims to help reduce the government's budget deficit and helps it embark on the overdue and much-needed reforms, is expected to shrink the profitability of the banking sector in 2018.

Byblos Bank's Board of Directors and Management look forward to a 2018 in which policymakers address the painful yet necessary medium- and long-term macroeconomic reforms, in order to strengthen governance and accountability within the public administration; find ways to reduce expenditures by transparently sub-contracting a number of public-sector activities to the private sector; provide efficient services to its citizens; and ensure a politically stable environment conducive to investment, economic growth, job creation and a higher living standard to the Lebanese.

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