

Byblos Bank Sal



▶▶▶ Investor Presentation – Dec-2015





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Contents



- 1. Overview**
- 2. Financial Standing**
- 3. Capitalization**
- 4. Share Information**



Overview

▶ Snapshot

■ Key highlights as at December 31, 2015 (in US\$ million)

– Assets	19,875
– Loans	4,932
– Deposits	16,636
– Net profit	160.6

■ Key financial ratios as at December 31, 2015

– Basle III capital adequacy ratio *	17.55%
– NPLs / Gross Loans	4.59%
– Coverage ratio	109.81%
– Return on average equity	9.00%
– Return on average assets	0.83%
– Cost-to-income ratio	49.37%

■ **Branches** 105 (80 in Lebanon, 3rd largest network)

■ **Staff** 2,548 (1,832 in BB Lebanon)

■ **Full share listing on the BSE** Market Cap** US\$ 910 m - 30% free float

■ **International operations** Cyprus, Iraq, Belgium, France, Great Britain, Syria, Sudan, UAE, Armenia, Nigeria, Democratic Republic of Congo

■ **Long-term credit ratings** B2 / negative (Moody's); B / negative (Fitch)

(*) Figure as at end Jun-15

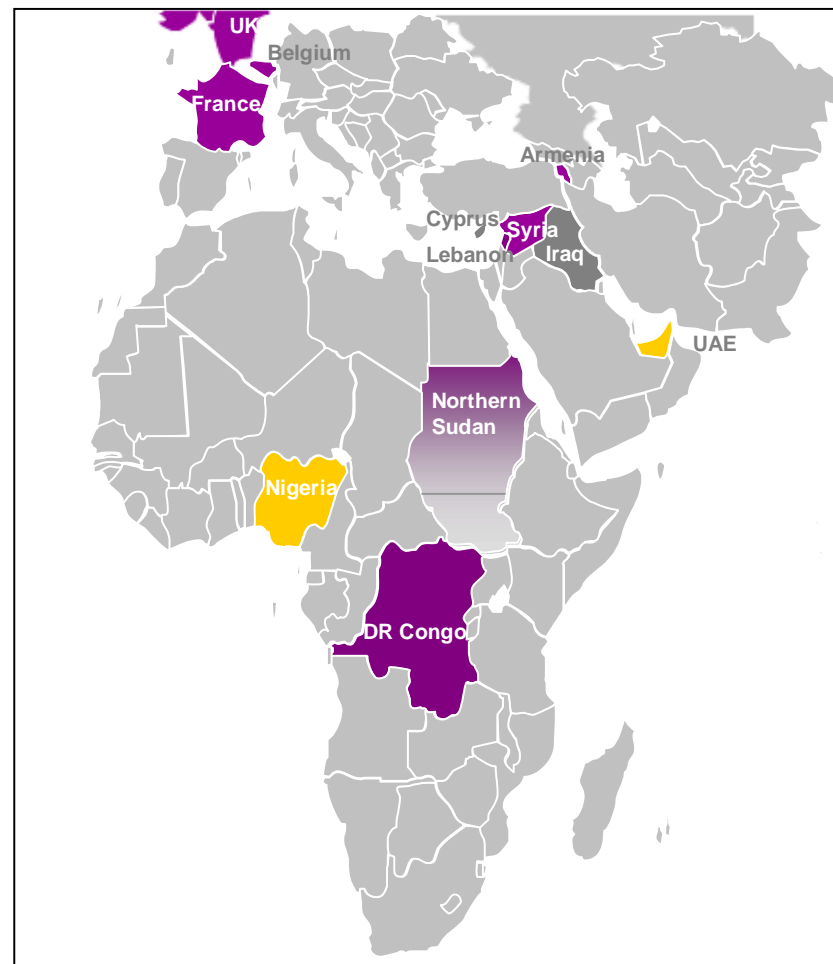
(**) Based on the price of share as at 30 September 2015



Overview

Regional Expansion

Company / Bank	Country	Launch year	Nature	Services	% ownership
Byblos Bank SAL	Lebanon	1950	Headquarters	Banking	
Byblos Bank Europe SA	France Belgium UK	1976	Subsidiary	Banking	99.95%
Byblos Bank Syria SA	Syria	2005	Subsidiary	Banking	59.87%
Byblos Bank Africa	Sudan	2003	Subsidiary	Islamic Banking	56.86%
Byblos Bank Armenia CJSC	Armenia	2007	Subsidiary	Banking	65.00%
Byblos Bank DRC	DR Congo	2010	Subsidiary	Banking	66.67%
Adonis Insurance and Reinsurance Co. (ADIR) SAL	Lebanon	1983	Subsidiary	Insurance	64.00%
Adonis Insurance and Reinsurance (ADIR) Syria	Syria	2007	Subsidiary	Insurance	76.00%
Byblos Invest Bank SAL	Lebanon	2003	Subsidiary	Investment Banking	99.99%
Adonis Brokerage House SAL	Lebanon	2002	Subsidiary	Brokerage	100%
Byblos Bank Sal – Iraq network	Iraq (Erbil, Baghdad, Basra, Sulaymaniah)	2007	Branch network	Banking	
Byblos Bank SAL – Cyprus network	Cyprus	1984	Branch network	Banking	
Byblos Bank SAL – UAE Rep. Office	UAE – Abu Dhabi	2005	Representative Office	Banking	
Byblos Bank SAL – Nigeria Rep. Office	Nigeria	2008	Representative Office	Banking	

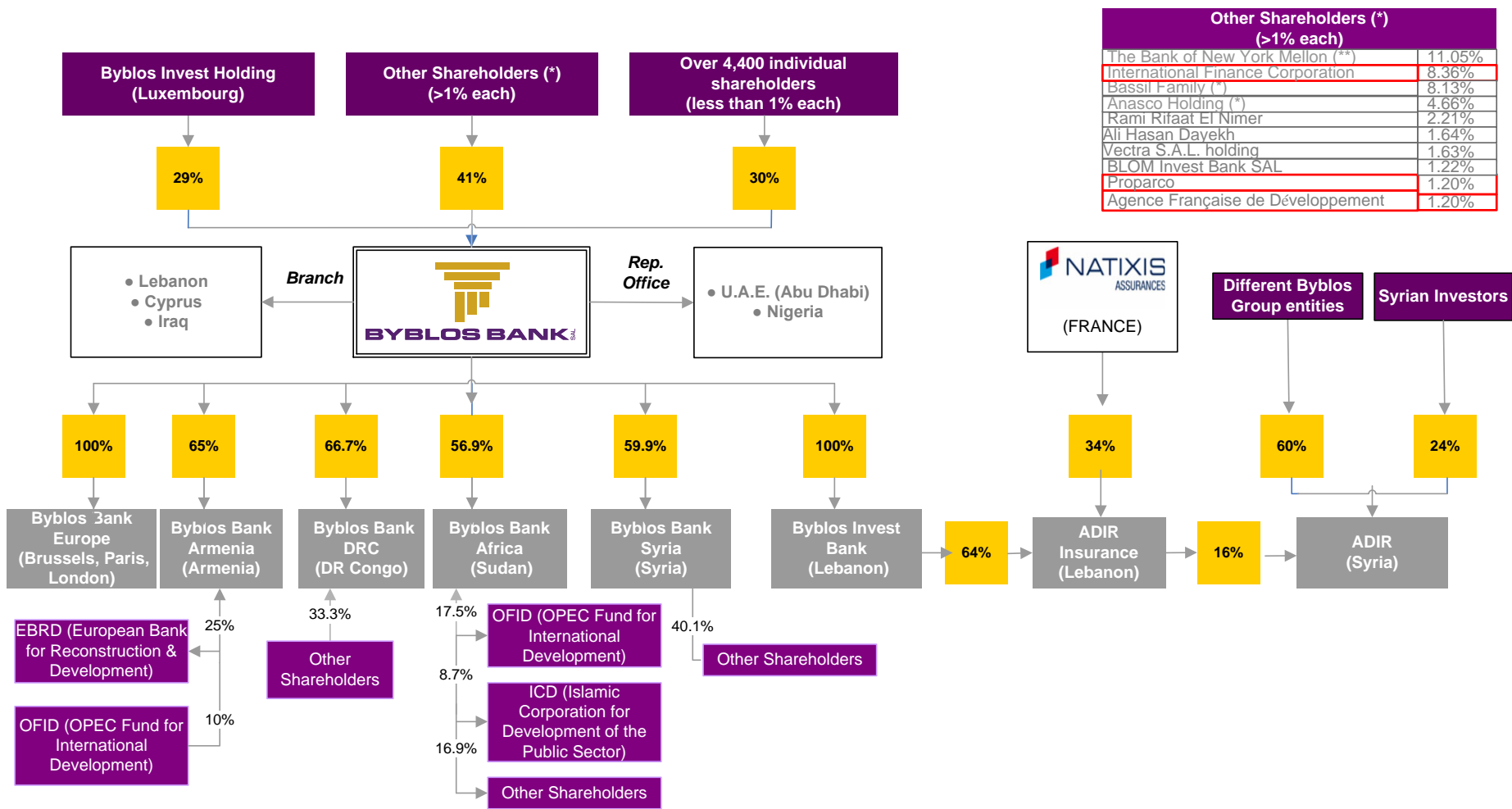


■ Countries with Subsidiary
 ■ Branches
 ■ Representative Office



Overview

Organizational Structure as at 31 December 2015



(*) As at 31 December 2015 (including common shares, series 2008 preferred shares and series 2009 preferred shares)

(**) The Bank of New York Mellon is the depositary bank for the GDR program



Overview

Board of Directors of Byblos Bank SAL

Mr. Semaan F. Bassil

Chairman – General Manager of Byblos Bank SAL

Lebanese, born in 1965. Holder of a Bachelor’s Degree from Boston University in the US and an MBA from Cambridge University in the UK. Has been working in the banking sector since 1990. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1992, and Vice-Chairman of the Board and General Manager since 2000. Also serves as Chairman of the Board of Byblos Bank Syria, Chairman and General Manager of Byblos Invest Bank S.A.L., Vice-Chairman of the Board of Byblos Bank Africa, and Member of the Board of Byblos Bank Europe.

Dr. François S. Bassil

Director – Chairman of Byblos Group

Lebanese, born in 1934. Holder of a PhD in Law from Leuven University in Belgium. Has been working in the banking sector since 1962. Was a co-founder of Byblos Bank S.A.L., which he has helped transform into Lebanon’s third-largest bank and where he currently holds the positions of Chairman of the Board of Directors and General Manager. Is also Chairman of the Board of Directors of Byblos Bank Africa. Also sits on the Boards of Byblos Bank Europe, Byblos Bank Syria, and Byblos Bank Armenia. In addition, serves as Chairman of the Board of Directors and General Manager of Byblos Invest Holding Luxembourg. In June 2015 completed a fourth term as Chairman of the Board of the Association of Banks in Lebanon.

HE Mr. Arthur G. Nazarian

Director

Lebanese, born in 1951. Holder of a Degree in Textile Engineering from Philadelphia University in the US. Has served as Lebanon’s Minister of Energy and Water Resources since 2014, as a Member of the Lebanese Parliament since 2009, and is a former Minister of Tourism and of Environment. Is an entrepreneur at the helm of several companies in Lebanon and the Gulf. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2006, and serves as a Member of the Risk, Compliance, Anti-Money-Laundering and Combating the Financing of Terrorism Committee, and of the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee, both of which are affiliated to the Board. Also serves as a Member of the Board of Directors of Byblos Bank Armenia.

Baron Dr. Guy L. Quaden

Director

Belgian, born in 1945. Holder of a Master’s Degree in Economics from La Sorbonne in France and of a PhD from Liège University in Belgium. Appointed in 1977 as Professor of Economic Policy at Liège University, where he later served as Dean of the Faculty of Economics and Management. Started his career in the banking sector in 1988 when he joined the Board of the National Bank of Belgium (the country’s central bank), later serving as Governor (and as a Member of the Governing Council of the European Central Bank) from 1999 until 2011. Has produced numerous economic publications. Received the title of Baron from the King of Belgium and was decorated as an Officer of the Légion d’Honneur by the President of the French Republic. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2012. Also sits on the Board of Byblos Bank Europe.

Dr. Des S. O’ Shea

Director

Irish, born in 1956. Holder of a Bachelor of Commerce Degree from University College Cork in Ireland, and qualified as a Chartered Accountant in 1980. Has been working in the banking industry since 1981, including eight years as Vice President of GE Capital ending in 2011, and is a current or former holder of banking directorships in 10 countries. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2014.



Overview

Board of Directors of Byblos Bank SAL

**Mr. Bassam
A. Nassar**

Director

Lebanese, born in 1965. Pursued his higher studies at both the London School of Economics in the UK and Harvard Business School in the US. Is an entrepreneur with major holdings in a number of private companies in Nigeria. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 1992, and serves as a Member of the Audit Committee and the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee, both of which are affiliated to the Board. Also serves as Chairman of the Board of Byblos Bank Europe and as a Member of the Board of Byblos Invest Holding Luxembourg.

**Mr. Ahmad T.
Tabbarah**

Director

Lebanese, born in 1940. Holder of a Bachelor's Degree from the American University of Beirut. Worked as a consultant to former Prime Minister Salim el Hoss. Is an entrepreneur with shares in a number of family businesses and social initiatives, including the Toufic Tabbarah Cultural Center. Has been a member of the Boards of Directors of Byblos Bank S.A.L. since 1999. Also serves as a Member of the Risk, Compliance, Anti-Money Laundering and Combating the Financing of Terrorism Committee affiliated to the Board.

**Mr. Faisal M.
Ali El Tabsh**

Director

Lebanese, born in 1948. Holder of a Master's Degree in Geology from the American University of Beirut. Is an entrepreneur and owner of M.A. Tabsh Company in Saudi Arabia. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2000. Is also a Member of the Board of Byblos Invest Holding Luxembourg and Vice Chairman of the Board of Byblos Europe.

**Dr. Henry T.
Azzam**

Director

Lebanese, born in 1949. Holder of a PhD in Economics from the University of Southern California in the US. Has been working in the financial sector since 1981. Has assumed key positions with major financial companies in Lebanon and other parts of the world, including Deutsche Bank Dubai. Is well-versed in the money and banking markets and has issued publications and articles revolving around the financial world. Has been on the Board of Directors of Byblos Bank S.A.L. since 2012.

**Mr. Alain C.
Tohmé**

Director

Lebanese, born in 1962. Holder of a Bachelor of Commerce Degree from University College Cork in Ireland and an MBA from Boston College in the US. Started working in the banking industry when he joined Byblos Bank Europe in 1985 before moving in 1997 to Byblos Bank S.A.L., where he assumed several positions, the most recent having been Deputy General Manager, until 2011. Has been a Member of the Board of Directors of Byblos Bank S.A.L. since 2011 and serves as Chairman of the Audit Committee and Member of the Human Resources, Compensation, Remuneration, Nomination and Corporate Governance Committee, both of which are affiliated to the Board. Is also Chairman of the Board of Byblos Bank Armenia, Vice-Chairman of the Board of Byblos Bank Syria, a Member of the Board of Byblos Bank RDC, and a Member of the Board of Byblos Invest Bank S.A.L.

**Dr. Yves
Jacquot**

Director

French, born in 1956. Holder of a PhD in Finance from the Wharton School in the US and a Bachelor Degree from ESSEC. Has been working in the financial sector since 1980. Has assumed key positions with major financial companies in France and other parts of the world. First Vice-President of International Development of Group National Bank of Canada, and Assistant General Manager of Natcan International, Director in ABA Bank Cambodge and Afrasia Bank à Mauritius Island . Has been on the Board of Directors of Byblos Bank S.A.L. since 2015.



Contents



1. Overview
2. **Financial Standing**
3. Capitalization
4. Share Information



Financial Standing

Financial Highlights (Unaudited figures for Dec-15)

<i>Financial Highlights (US\$ million)</i>	2010	2011	2012	2013	2014	2015
Assets	15,288	16,602	17,015	18,485	19,035	19,875
Customer Deposits	11,927	12,820	13,384	14,749	15,715	16,636
Customer Advances	3,771	4,008	4,120	4,511	4,728	4,932
Securities ⁽¹⁾	6,223	5,936	6,324	6,932	6,979	7,239
<i>Lebanese</i>	5,750	5,255	5,669	6,382	6,499	6,947
<i>of which Treasury bills</i>	2,682	2,301	2,711	3,514	3,844	4,034
<i>of which Central Bank CDs</i>	2,951	2,833	2,825	2,812	2,598	2,854
<i>Non Lebanese</i>	473	681	655	549	480	292
Cash & Banks	4,836	6,156	6,091	6,486	6,870	7,267
Total Capital (Tier I + Tier II)	1,831 ⁽²⁾	1,852	1,926 ⁽³⁾	1,922	1,963	1,989
Net Profit (available for CS & PS) ⁽⁴⁾	178	180	167	156	176	161
Net Profit (available for CS)	138	148	135	124	143	129
Earning per Common Share	0.27	0.25	0.23	0.21	0.24	0.21

(1) Includes Treasury Bills, Central Bank CDs, fixed income securities, Corporate CDs, equities

(2) Capital Increase in June 2010 by US\$ 249 m through issuance of 142,378,760 new common shares

(3) Maturity of the US\$ 200 million convertible subordinated debt issues in 2007 and Issuance of convertible subordinated notes for the amount of US\$300m

(4) CS = Common Shareholders, PS = Preferred Shareholders



Financial Standing

Ratios (Unaudited figures for Dec-15)

<i>Ratios %</i>	2010	2011	2012	2013	2014	2015
Return on Average Assets	1.23	1.11	1.00	0.88	0.94	0.83
Return on Average Common Equity	14.03 ⁽¹⁾	12.29	11.28	9.80	11.07	9.44
Net Interest Margin	2.04	1.86	1.64	1.41	1.35	1.42
Non-Interest Income to Total Operating Income	36.73	40.48	46.41	48.19	47.75	41.68
Cost to Income	45.18	43.39	45.89	46.86	46.67	49.37
Gross NPLs to Gross Loans	2.38	3.02	5.29	4.86	5.30	4.59
Provisioning of NPLs ⁽²⁾	144.46	132.77	99.62	119.77	120.67	109.81
Lebanese Sovereign Exposure ⁽³⁾ (% of assets)	46.23	45.81	50.33	52.69	56.32	57.30
<i>in LBP</i>	31.69	28.13	28.77	28.68	30.32	29.95
<i>in FCY</i>	14.55	17.68	21.55	24.00	26.00	27.35
Non Lebanese Sovereign Exposure ⁽³⁾ (% of assets)	3.48	2.91	4.66	2.85	2.56	1.94
Share of International Activities						
<i>in Total Assets</i> ⁽⁴⁾	18.63	16.45	14.82	13.65	11.12	10.30
<i>in Net Profit</i>	11.75	13.63	10.16	13.21	12.10	13.51
Loans to Assets	24.67	24.14	24.21	24.40	24.84	24.82
Loans to Deposits	31.71	31.26	30.78	30.59	30.08	29.65
LBP Deposits / Deposits	40.57	38.65	39.73	38.78	39.36	38.74
LBP Loans / LBP Deposits	12.72	16.44	17.63	17.76	17.65	18.70
FCY Loans / FCY Deposits	44.68	40.61	39.46	38.71	38.15	36.57

(1) Lower RACE in 2010 was the result of the Capital increase in June 2010

(2) Includes specific and general & collective provisions, reserved interest

(3) Sovereign exposure includes cash, placements with the Central Bank. Treasury Bills, Government CDs

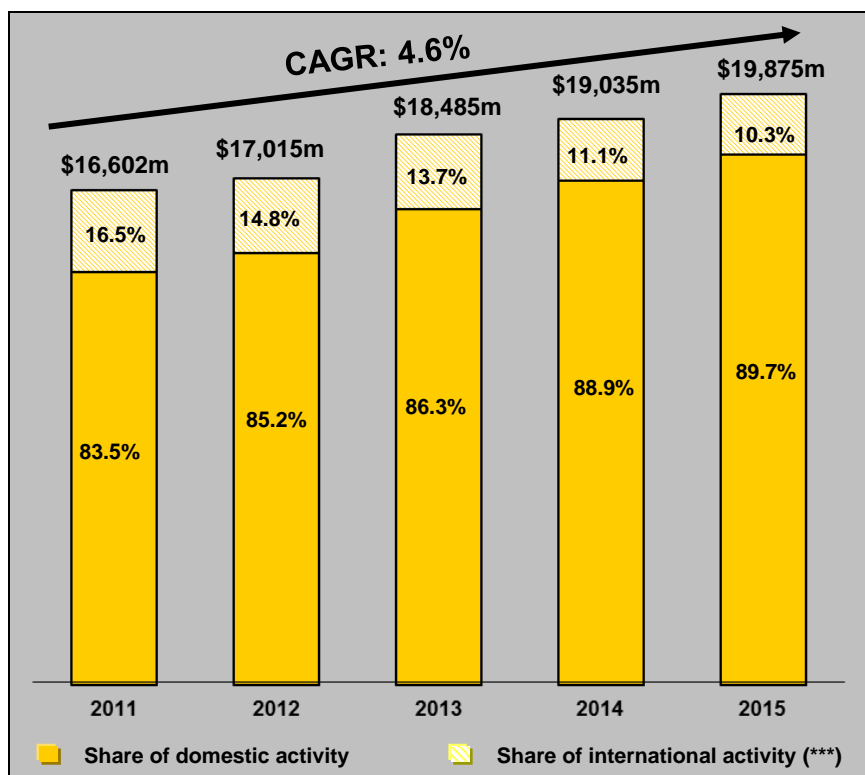
(4) Includes international activities booked in Lebanon



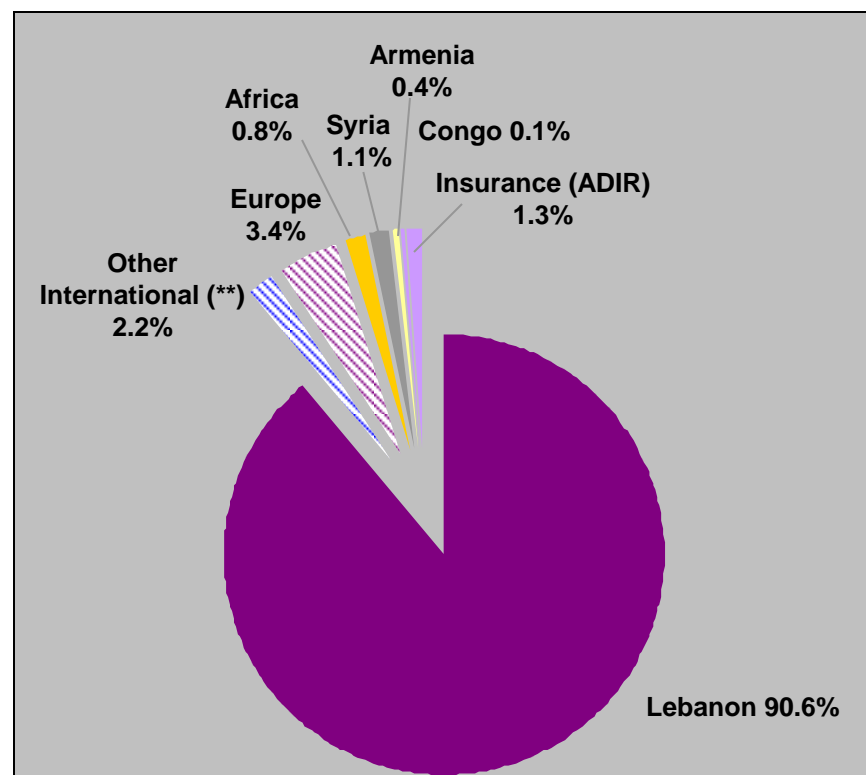
Financial Standing

▶ Total Assets (Unaudited figures for Dec-15)

Total Assets evolution



Total assets by entity (*)



(*) as at end December 2015

(**) Includes Cyprus and Iraq

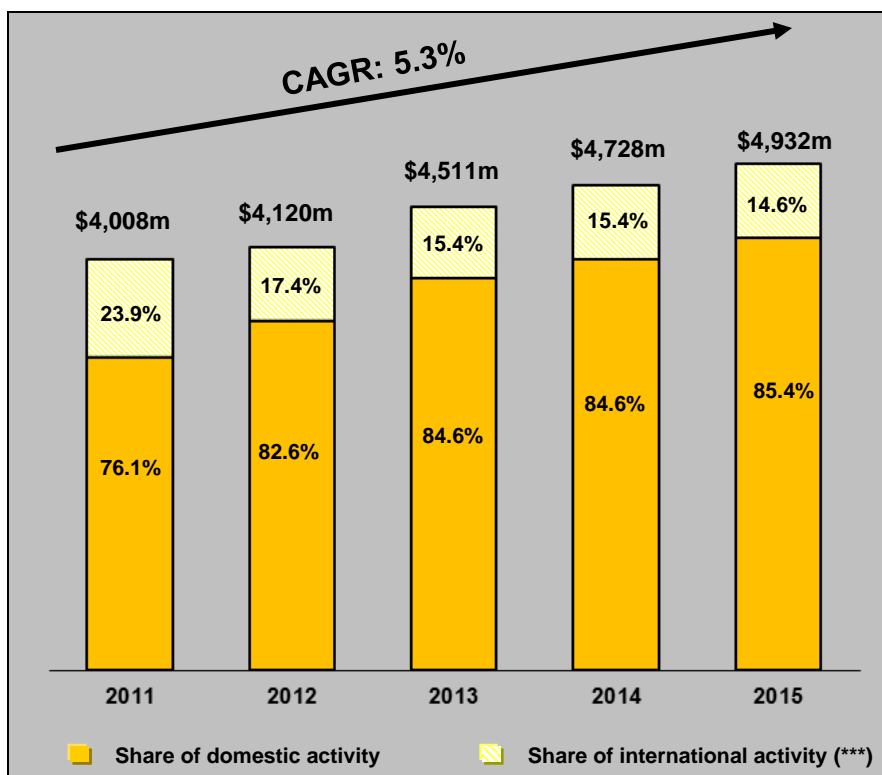
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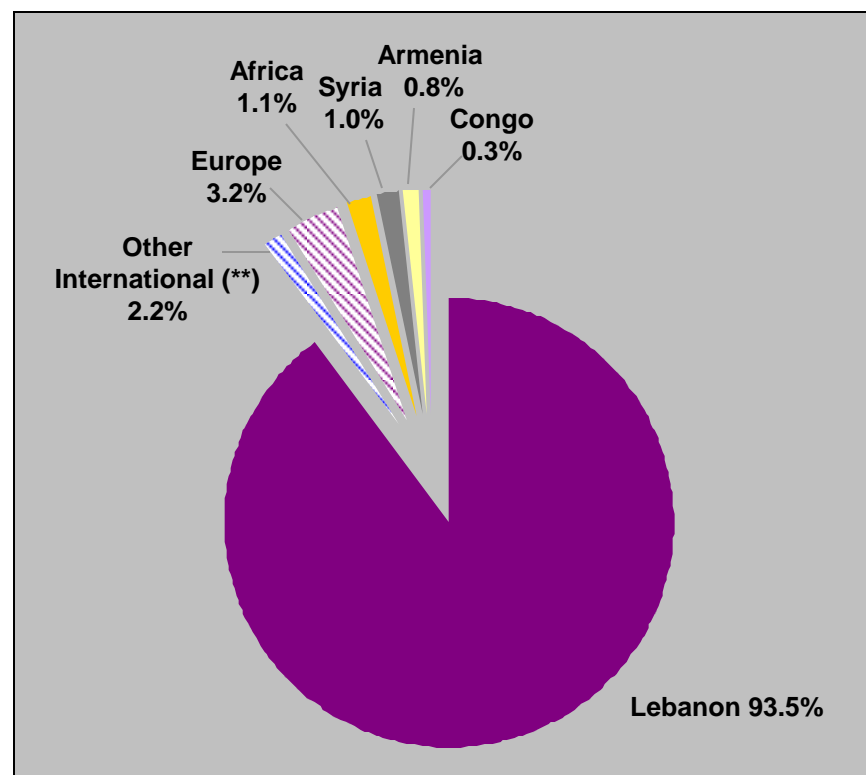
Financial Standing

Customer Advances (Unaudited figures for Dec-15)

Customer Advances evolution



Customer Advances by entity (*)



(*) as at end December 2015

(**) Includes Cyprus and Iraq

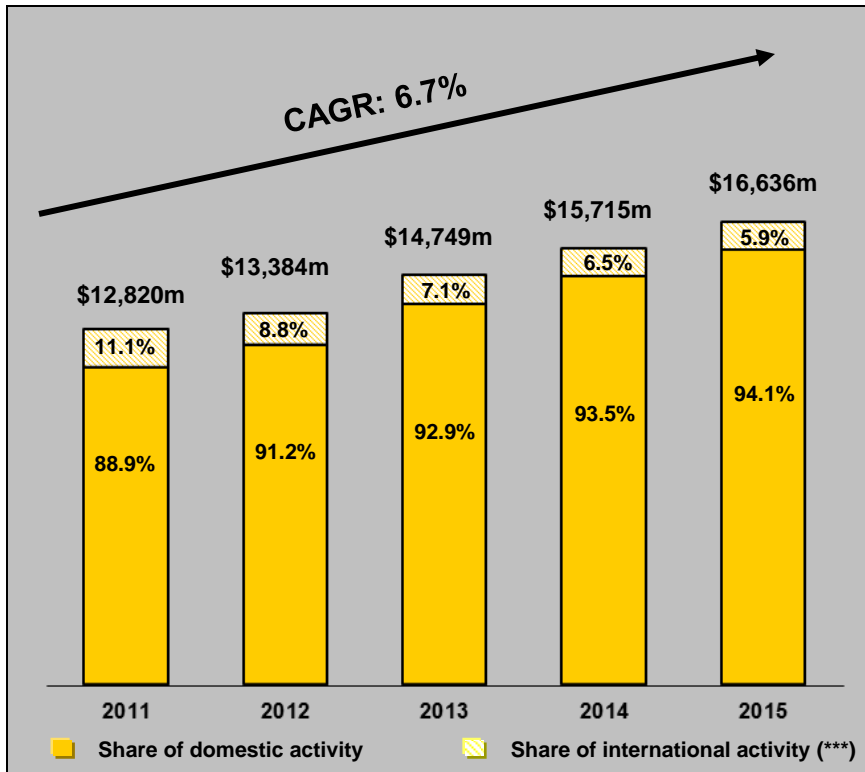
(***) Includes international activities booked in Lebanon



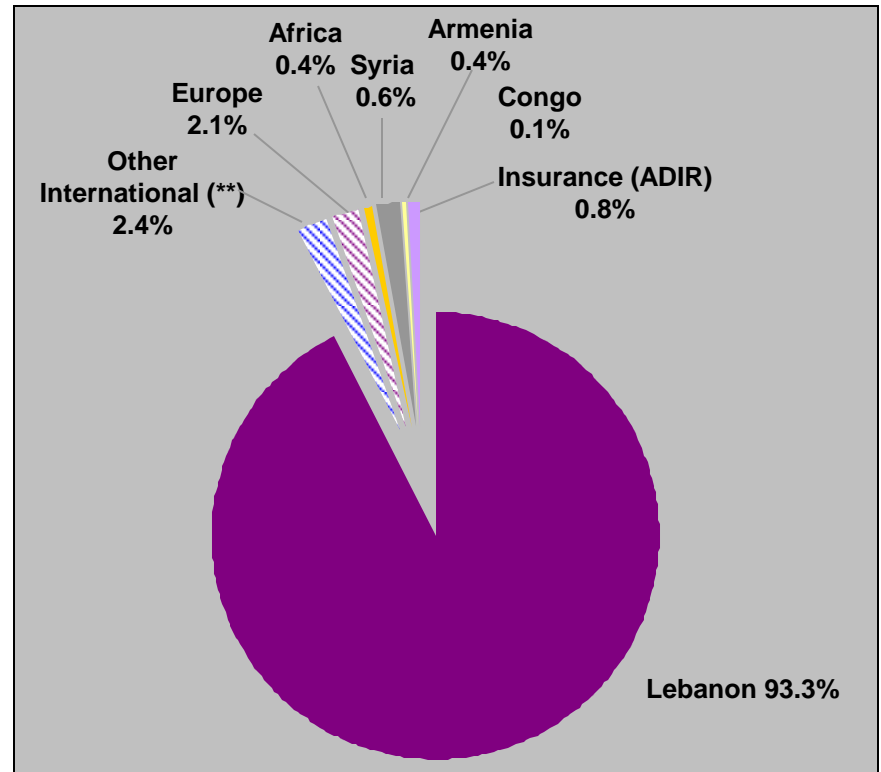
Financial Standing

Customer Deposits (Unaudited figures for Dec-15)

Customer Deposits evolution



Customer Deposits by entity (*)



(*) as at end December 2015

(**) Includes Cyprus and Iraq

(***) Includes international activities booked in Lebanon



Contents



1. Overview
2. Financial Standing
3. Capitalization
4. Share Information



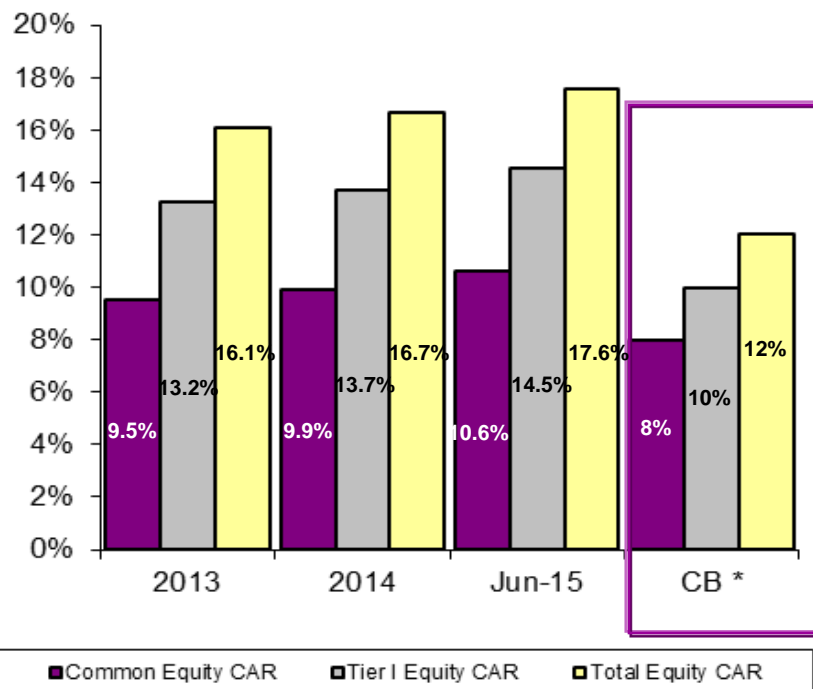
Capitalization

Basle III Capital Adequacy Ratio

Consolidated CAR – Basel III (in USD million)

	2013	2014	Jun-2015
•Credit Risks	9,746	9,597	9,285
•Market Risks	202	161	178
•Operational Risks	758	733	733
•Total Risk Weighted Assets	10,706	10,491	10,197
•RWA / Total Assets	58%	55%	53%
•Net Common Equity	1,018	1,040	1,083
•Tier I Equity	1,416	1,439	1,482
•Total Equity	1,725	1,747	1,790
•Common Equity CAR	9.50%	9.92%	10.62%
•Tier I Equity CAR	13.23%	13.72%	14.53%
•Total Equity CAR	16.11%	16.65%	17.55%

Capital Ratios vs Central Bank requirements



* Minimum Basle III ratios requested by the Central Bank by 2015



Contents



1. Overview
2. Financial Standing
3. Capitalization
4. Share Information



Share Information

Classes of Shares

Common Shares

- **Number:** 565,545,040 shares
- **Ticker:** BYB.BY
- **Listing:** Beirut Stock Exchange
- **Custodian:** MIDCLEAR
- **ISIN Code:** LB0000010613
- **Par value:** LBP 1,210 (US\$ 0.8)
- **Market Cap as at end Dec-15:** US\$ 910 million

GDR

- **Number:** 1,259,254 GDRs
- **Underlying share ratio:** 1:50
- **Listing:** London Stock Exchange & Beirut Stock Exchange
- **Ticker:** BYB LI (on LSE) & BYB LB (on BSE)
- **CUSIP:** 12431A101
- **Underlying ISIN:** LB0000102691
- **Depository:** Bank of NY Mellon

Preferred Shares 2008

- **Number:** 2,000,000 shares
- **Coupon:** 8% p.a. ; non cumulative
- **Issue date:** August 2008
- **Issue price:** US\$ 100 / share
- **Issue Size:** US\$ 200 million
- **Maturity:** callable after 5 years from issue date
- **Listing:** Beirut Stock Exchange
- **Custodian:** MIDCLEAR
- **ISIN Code:** LB0000106122
- **Par value:** LBP 1,210 (US\$ 0.8)

Preferred Shares 2009

- **Number:** 2,000,000 shares
- **Coupon:** 8%; non cumulative
- **Issue date:** August 2008
- **Issue price:** US\$ 96 / share
- **Issue Size:** US\$ 192 million
- **Maturity:** callable after 5 years from issue date at a price of US\$ 100 / share
- **Listing:** Beirut Stock Exchange
- **Custodian:** MIDCLEAR
- **ISIN Code:** LB0000106130
- **Par value:** LBP 1,210 (US\$ 0.8)