

Consolidated balance sheet of all banks

Al-Baraka Bank Sal	Emirates Lebanon Bank Sal
Al-Bilad Islamic Bank for Investment & Finance PSC	Federal Bank of Lebanon Sal
AM Bank Sal	Fenicia Bank Sal
Arab African International Bank	FFA Private Bank Sal
Arab Bank Plc	First National Bank Sal
Arab Bank (Switzerland) Lebanon Sal	Fransa Invest Bank Sal
Audi Investment Bank Sal	Fransabank Sal
Audi Private Bank Sal	HBL Habib Bank
B.L.C. Bank Sal	IBL Bank Sal
Bank Audi Sal	IBL Investment Bank Sal
Bank of Baghdad Private S.A. Co.	Jammal Trust Bank Sal
Bank of Beirut Invest Sal	Lebanese Swiss Bank Sal
Bank of Beirut Sal	Lebanon and Gulf Bank Sal
Bankmed Sal	Libank Sal (Levant Investment Bank)
Banque Bemo Sal	Lucid Investment Bank Sal
Banque de Crédit National Sal	MEAB Sal
Banque de l'Habitat Sal	MedInvestment Bank Sal
Banque Libano-Française Sal	National Bank of Kuwait (Lebanon) Sal
Banque Misr Liban Sal	North Africa Commercial Bank Sal
BBAC Sal	Qatar National Bank S.A.Q. - Lebanon
BLOM Bank Sal	Rafidain Bank
BLOM Development Bank Sal	Saradar Bank Sal
BLOMINVEST Bank Sal	Saudi Lebanese Bank Sal
BSL Bank Sal	Société Générale de Banque au Liban Sal (SGBL)
Byblos Bank Sal	
Byblos Invest Bank Sal	
Cedrus Bank Sal	
Cedrus Invest Bank Sal	
Citibank N.A.	
Crédit Libanais Investment Bank Sal	
Crédit Libanais Sal	
Creditbank Sal	
CSCBank Sal	

Remarks:

Figures herein are based on the consolidated financial statements as released by the banks including all their subsidiaries.

- 1- The capital adequacy ratio was estimated on basis of 38 banks out of 46 in 2018 and 2017.
- 2- Arab African International Bank did not communicate its income statement for both years. The consolidated figures do not include estimates.
- 3- Syrian Lebanese Commercial Bank Sal did not communicate its figures in 2018 and 2017, the consolidated figures include estimates.
- 4- Finance Bank Sal did not communicate its figures in 2018, the consolidated figures include estimates.
- 4- Arab Finance House Sal (Islamic Bank) and Lebanese Islamic Bank Sal were not included in our analyses because of the specific nature of the banks activity.
- 5- Bank Saderat Iran and Invest Bank P.S.C. did not communicate their figures.
- 6- In cases of mergers & acquisitions, subsidiary banks were consolidated with their mother bank's groups.

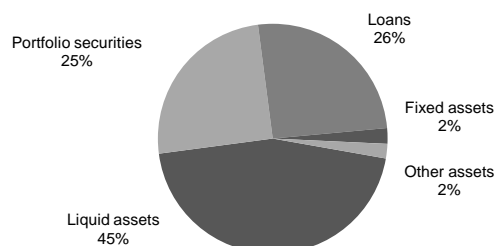
Network:

Lebanon Network	1,081
o.w. Beirut	465
o.w. Mount Lebanon	321
o.w. South Lebanon	116
o.w. North Lebanon	108
o.w. Bekaa	71
Overseas Banking Network	329

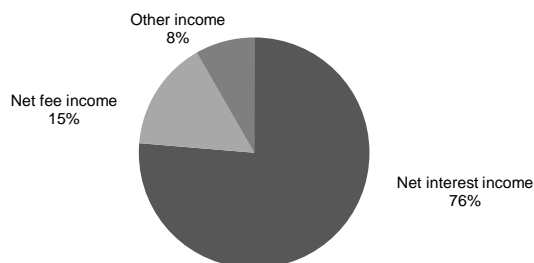
Summary of performance highlights

Network and staff	2016	2017	2018
Branches	1,426	1,414	1,424
o.w. Lebanon	1,067	1,080	1,095
Staff employed	35,775	35,680	35,502
o.w. Lebanon	26,778	27,572	27,459
Staff employed in banking entities	33,755	33,539	33,418
Growth (%)	2016	2017	2018
Assets	5.9	6.8	10.6
Loans to customers	2.0	2.3	-3.8
Deposits from customers	3.6	3.3	2.0
Shareholders' equity	9.9	6.6	0.4
Total L/C openings of the year	5.8	16.0	3.3
Total income	31.5	-13.9	-7.2
General operating expenses	15.8	-6.2	-3.2
Net profits for the year	12.6	4.3	-5.0
Management efficiency	2016	2017	2018
Average footings per branch (LL Billion)	296.599	320.931	347.217
Average footings per staff (LL Billion)	12.012	12.755	13.843
Average staff per branch	23.4	23.7	23.6
Cost per average branch (LL Billion)	3.856	3.707	3.592
Staff expenses per average staff (LL Billion)	0.081	0.080	0.081
Staff expenses to total operating expenses (%)	52.13	54.53	56.48
Cost to income (%)	44.30	48.30	50.38
Cost to average assets (%)	1.59	1.40	1.25
Total income per average staff (LL Billion)	0.353	0.305	0.284
Domestic market share (%)	2016	2017	2018
Assets	100.00	100.00	100.00
Loans to customers	100.00	100.00	100.00
Deposits from customers	100.00	100.00	100.00
Investment considerations	2016	2017	2018
Common shares outstanding (000)	3,982,643	3,986,401	3,990,871
Of which GDRs	257,200	257,249	257,099
Preferred shares outstanding (000)	78,388	59,238	57,738
Common earnings per share (LL)	788.68	846.62	818.91
Common book per share (LL)	6,560.42	7,161.91	7,382.28
Common dividends	1,162,545.259	1,305,911.860	1,204,701.879
Common dividends per share (LL)	291.90	327.59	301.86
Preferred dividends	380,775.590	377,329.099	374,545.682
Common payout ratio	34.63	37.09	36.19
Total payout ratio	41.29	43.17	42.64
ROAE to hurdle rate (times)	0.80	0.77	0.62

Breakdown of assets 2018



Breakdown of income 2018



Consolidated balance sheet of all banks

Consolidated income statement	LL Million			USD Million			Structure (%)	
	2017	2018	18/17	2017	2018	18/17	2017	2018
Interest & similar income	21,438,712.243	25,796,622.168	20.3	14,221.368	17,112.187	20.3		
Less 7% tax on interest earned	91,686.993	994,823.680	985.0	60.821	659.916	985.0		
Interest & similar income, net of tax	21,347,025.250	24,801,798.488	16.2	14,160.547	16,452.271	16.2		
Interest & similar expense	14,510,019.766	17,325,820.304	19.4	9,625.220	11,493.081	19.4		
Net interest income	6,837,005.484	7,475,978.183	9.3	4,535.327	4,959.190	9.3	64.0	74.4
Fee income	2,004,344.193	1,996,365.717	-0.4	1,329.582	1,324.289	-0.4		
Fee expense	429,145.566	446,675.465	4.1	284.674	296.302	4.1		
Net fee income	1,575,198.627	1,549,690.252	-1.6	1,044.908	1,027.987	-1.6	14.7	15.4
Net gain/loss on financial instruments at FVTPL	960,100.507	615,183.663	-35.9	636.883	408.082	-35.9	9.0	6.1
Of which net unrealized gain/loss	-4,718.445	-36,915.352	-682.4	-3.130	-24.488	-682.4		
Of which net interest income/expense	440,715.649	197,552.343	-55.2	292.349	131.046	-55.2		
Of which net profits on foreign exchange	209,517.865	245,558.194	17.2	138.984	162.891	17.2		
Net gain/loss on financial investments	367,667.606	49,400.009	-86.6	243.892	32.769	-86.6	3.4	0.5
Other operating income	942,869.652	364,201.885	-61.4	625.453	241.593	-61.4	8.8	3.6
Total operating income	10,682,841.876	10,054,453.991	-5.9	7,086.462	6,669.621	-5.9	100.0	100.0
Allowance for expected credit loss (ECL)	695,497.928	501,034.487	-28.0	461.358	332.361	-28.0		
Allowance for ECL on debt instr. at amortized cost	2,314.267	4,699.299	103.1	1.535	3.117	103.1		
Allowance for ECL on Stage 3 loans	790,087.980	890,191.138	12.7	524.105	590.508	12.7		
Allowance recoveries on Stage 3 loans	215,336.409	443,149.994	105.8	142.843	293.964	105.8		
Allowance for ECL on Stages 1 & 2	111,606.262	57,407.081	-48.6	74.034	38.081	-48.6		
Allowance for ECL on Stage 1 & 2 loans	111,606.262	44,955.636	-59.7	74.034	29.821	-59.7		
Allowance for ECL on Stage 1 & 2 financial assets	-	12,451.444	-	-	8.260	-		
Other net allowances	6,825.828	-8,113.037	-	4.528	-5.382	-		
Impairment allowance of other fin. inv. (affiliates & subs.)	137,307.855	2,981.433	-97.8	91.083	1.978	-97.8		
Other provisions	57,260.099	49,600.738	-13.4	37.983	32.903	-13.4		
Net operating income	9,792,775.995	9,500,837.333	-3.0	6,496.037	6,302.380	-3.0		
Staff expenses	2,870,189.073	2,878,988.452	0.3	1,903.940	1,909.777	0.3	54.5	56.5
Administrative & other operating expenses	1,868,127.913	1,872,418.039	0.2	1,239.222	1,242.068	0.2	35.5	36.7
Depreciation of tangible fixed assets	299,370.728	290,442.338	-3.0	198.588	192.665	-3.0	5.7	5.7
Amortization of intangible fixed assets	54,083.458	55,499.875	2.6	35.876	36.816	2.6	1.0	1.1
Impairment of goodwill	171,604.497	-	-	113.834	-	-	3.3	-
Total operating expenses	5,263,375.669	5,097,348.705	-3.2	3,491.460	3,381.326	-3.2	100.0	100.0
Operating profit	4,529,400.325	4,403,488.628	-2.8	3,004.577	2,921.054	-2.8		
Share of profit of associates under equity method	46,618.119	45,892.136	-1.6	30.924	30.443	-1.6		
Net gain/loss from sale or disposal of other assets	19,392.913	21,013.768	8.4	12.864	13.939	8.4		
Profit before tax	4,595,411.357	4,470,394.533	-2.7	3,048.366	2,965.436	-2.7		
Income tax	845,155.362	762,607.207	-9.8	560.634	505.875	-9.8		
Profit after tax from operating activities	3,750,255.996	3,707,787.326	-1.1	2,487.732	2,459.560	-1.1		
Profit after tax from discontinued activities	148,403.729	-3,974.837	-	98.444	-2.637	-		
Net profit	3,898,659.725	3,703,812.489	-5.0	2,586.176	2,456.924	-5.0		
Of which net profit - non controlling interest	146,363.985	61,107.028	-58.2	97.091	40.535	-58.2		
Of which net profit - group share	3,752,295.739	3,642,705.461	-2.9	2,489.085	2,416.388	-2.9		
Earnings per share (LL)	-	-	-	-	-	-		
Diluted earnings per share (LL)	-	-	-	-	-	-		
Non interest income analysis		2017	Share		2018	Share	18/17	
Net fee income		1,575,198.627	43.5		1,549,690.252	63.4	-1.6	
Net profits on foreign exchange		209,517.865	5.8		245,558.194	10.0	17.2	
Net gain / loss on financial assets and / or investments		677,534.599	18.7		221,473.134	9.1	-67.3	
Other income		1,157,284.413	32.0		427,132.952	17.5	-63.1	
Total non interest income		3,619,535.504	100.0		2,443,854.532	100.0	-32.5	
Non interest income / total income		33.22			24.16		-9.06	
Net fees / average assets		0.42			0.38		-0.04	
Cost to average assets		1.40			1.25		-0.15	
Credit cost / pre-provision, pre-tax profit		12.68			9.97		-2.71	
Income tax / profit before tax		18.39			17.06		-1.33	
Key performance metrics (%)		2017			2018		18/17	
Yield on earning assets		6.05			6.41		0.36	
o.w. in LL		6.73			7.38		0.65	
o.w. in FX		5.71			5.86		0.15	
- Cost of earning assets		4.03			4.44		0.41	
o.w. in LL		4.46			4.87		0.41	
o.w. in FX		3.82			4.20		0.39	
= Interest margin		2.02			1.97		-0.05	
o.w. in LL		2.27			2.51		0.24	
o.w. in FX		1.89			1.66		-0.23	
x Average interest earnings / Average assets		95.69			95.31		-0.38	
o.w. in LL		95.57			96.04		0.46	
o.w. in FX		95.75			94.90		-0.85	
= Spread		1.93			1.87		-0.06	
o.w. in LL		2.17			2.41		0.24	
o.w. in FX		1.81			1.57		-0.24	
+ Non interest income / Average assets		0.96			0.60		-0.37	
= Asset utilization ratio		2.90			2.47		-0.42	
x Net operating margin		35.78			36.61		0.83	
o.w. cost to income		48.30			50.38		2.08	
o.w. credit cost		6.38			4.95		-1.43	
o.w. other provisions		1.79			0.52		-1.27	
o.w. tax cost		7.76			7.54		-0.22	
= ROAA		1.04			0.90		-0.13	
x Leverage (average assets times average equity)		10.45			10.99		0.54	
= ROAE		10.83			9.95		-0.88	
ROACE		11.83			10.68		-1.15	

Consolidated balance sheet of all banks

Asset quality	LL Million			USD Million			Sector avg 18
	2017	2018	18/17	2017	2018	18/17	LL Million
Breakdown of loans and advances to customers							
Retail	12,251,528.969	11,770,323.144	-3.9	8,127.051	7,807.843	-3.9	255,876.590
SMEs	18,904,345.997	17,295,579.806	-8.5	12,540.196	11,473.021	-8.5	375,990.865
Corporate	42,884,621.051	42,462,301.179	-1.0	28,447.510	28,167.364	-1.0	923,093.504
Housing	19,676,669.758	18,789,482.814	-4.5	13,052.517	12,464.002	-4.5	408,467.018
Public sector	865,792.929	845,761.833	-2.3	574.324	561.036	-2.3	18,386.127
Secured by commercial real estate	10,498,138.241	9,391,691.264	-10.5	6,963.939	6,229.978	-10.5	204,167.201
Other loans	9,256,912.945	9,466,829.534	2.3	6,140.572	6,279.821	2.3	205,800.642
Total net loans	114,338,009.891	110,021,969.575	-3.8	75,846.109	72,983.064	-3.8	2,391,781.947
Gross loans	122,665,674.848	119,427,749.234	-2.6	81,370.265	79,222.388	-2.6	2,596,255.418
Gross credit-impaired loans (CILs Stage 3)	10,579,364.132	12,420,604.266	17.4	7,017.820	8,239.207	17.4	270,013.136
o.w. net CILs (S3)	3,988,257.491	4,754,781.499	19.2	2,645.610	3,154.084	19.2	103,364.815
o.w. specific provision for CILs (S3)	2,910,473.364	3,704,689.328	27.3	1,930.662	2,457.505	27.3	80,536.725
o.w. unrealized interest on CILs (S3)	3,680,633.276	3,961,133.440	7.6	2,441.548	2,627.618	7.6	86,111.597
LLRs on credit-impaired loans (Stage 3)	6,591,106.641	7,665,822.768	16.3	4,372.210	5,085.123	16.3	166,648.321
Allowance for ECL on Stages 1 & 2	1,845,241.219	2,813,189.601	52.5	1,224.041	1,866.129	52.5	61,156.296
Allowance for ECL on Stage 1 & 2 loans	1,736,558.316	1,739,956.891	0.2	1,151.946	1,154.200	0.2	37,825.150
Allowance for ECL on Stage 1 & 2 fin. assets	108,682.903	1,073,232.710	887.5	72.095	711.929	887.5	23,331.146
Debt fully provided for (Off balance sheet)	3,047,846.285	3,673,430.630	20.5	2,021.789	2,436.770	20.5	79,857.188
Ratios (in %)							
Gross credit-impaired loans (S3) / gross loans	8.62	10.40	1.78	8.62	10.40	1.78	10.40
Net credit-impaired loans (S3) / gross loans	3.25	3.98	0.73	3.25	3.98	0.73	3.98
LLRs on credit-impaired loans (S3) / CILs (S3)	62.30	61.72	-0.58	62.30	61.72	-0.58	61.72
LLRs / gross loans	6.79	7.88	1.09	6.79	7.88	1.09	7.88
Allowance for ECL on Stages 1 & 2 / net loans	1.52	1.58	0.06	1.52	1.58	0.06	1.58
Net credit-impaired loans (S3) / equity	10.73	12.74	2.01	10.73	12.74	2.01	12.74
Equity / assets	9.56	8.68	-0.88	9.56	8.68	-0.88	8.68
Write-offs / gross CILs (S3) + write-offs	22.37	22.82	0.46	22.37	22.82	0.46	22.82
Liquidity							
	LL Million			USD Million			Sector avg 18
	2017	2018	18/17	2017	2018	18/17	LL Million
Portfolio securities breakdown							
o.w. Lebanese Treasury bills in LL	27,449,417.607	25,974,129.389	-5.4	18,208.569	17,229.937	-5.4	564,654.987
o.w. Lebanese Sovereign Eurobonds	22,452,095.937	25,273,568.048	12.6	14,893.596	16,765.219	12.6	549,425.392
o.w. BDL's Certificates of deposits in LL	17,126,559.788	22,322,955.769	30.3	11,360.902	14,807.931	30.3	485,281.647
o.w. BDL's Certificate of deposits in FX	27,361,147.885	22,721,810.239	-17.0	18,150.015	15,072.511	-17.0	493,952.397
o.w. Other debt instruments	9,423,188.172	9,124,388.161	-3.2	6,250.871	6,052.662	-3.2	198,356.264
o.w. Equity Instruments	2,385,256.988	2,285,907.438	-4.2	1,582.260	1,516.357	-4.2	49,693.640
Total portfolio securities	106,197,666.377	107,702,759.044	1.4	70,446.213	71,444.616	1.4	2,341,364.327
Primary liquidity / assets	39.26	45.13	5.87	39.26	45.13	5.87	45.13
o.w. Central Bank / assets	31.96	38.65	6.68	31.96	38.65	6.68	38.65
o.w. Banks / assets	7.30	6.48	-0.82	7.30	6.48	-0.82	6.48
Net primary liquidity / deposits	44.93	56.54	11.61	44.93	56.54	11.61	56.54
o.w. net primary liquidity in LL / deposits in LL	58.39	93.98	35.59	58.39	93.98	35.59	93.98
o.w. net primary liquidity in FX / deposits in FX	39.55	42.70	3.14	39.55	42.70	3.14	42.70
Loans / deposits	38.00	35.83	-2.17	38.00	35.83	-2.17	35.83
o.w. in LL	32.75	31.99	-0.76	32.75	31.99	-0.76	31.99
o.w. in FX	40.10	37.25	-2.84	40.10	37.25	-2.84	37.25
Portfolio securities / deposits	35.30	35.08	-0.22	35.30	35.08	-0.22	35.08
Lebanese Treasury bills in LL / deposits in LL	31.97	31.34	-0.63	31.97	31.34	-0.63	31.34
BDL's Certificates of deposits in LL/deposits in LL	19.95	26.94	6.99	19.95	26.94	6.99	26.94
Lebanese Sovereign eurobonds / deposits in FX	10.44	11.27	0.83	10.44	11.27	0.83	11.27
BDL's Certificates of deposits in FX/deposits in FX	12.72	10.14	-2.59	12.72	10.14	-2.59	10.14
Lebanese Sovereign eurobonds / equity	60.41	67.73	7.32	60.41	67.73	7.32	67.73
Capital adequacy							
	LL Million			USD Million			Sector avg 18
	2017	2018	18/17	2017	2018	18/17	LL Million
As per Basle framework							
Risk weighted assets	207,002,497.203	207,070,226.777	0.03	137,315.089	137,360.018	0.03	4,501,526.669
Risk weighted assets / total assets in %	53.26	48.16	-5.11	53.26	48.16	-5.11	48.16
Common Tier 1 (including profits net of dividends)	25,243,351.301	26,196,458.989	3.78	16,745.175	17,377.419	3.78	569,488.239
Additional Tier 1 Capital	6,123,891.192	5,846,639.972	-4.53	4,062.283	3,878.368	-4.53	127,100.869
Tier 1 Capital	31,367,242.493	32,043,098.961	2.15	20,807.458	21,255.787	2.15	696,589.108
Tier 2 Capital	3,619,721.013	4,790,418.875	32.34	2,401.142	3,177.724	32.34	104,139.541
Total capital	34,986,963.505	36,833,517.836	5.28	23,208.599	24,433.511	5.28	800,728.649
Common Tier 1 ratio	12.19	12.65	0.46	12.19	12.65	0.46	12.65
Additional Tier 1 ratio	2.96	2.82	-0.13	2.96	2.82	-0.13	2.82
Tier 1 ratio	15.15	15.47	0.32	15.15	15.47	0.32	15.47
Tier 2 ratio	1.75	2.31	0.56	1.75	2.31	0.56	2.31
Total capital ratio	16.90	17.79	0.89	16.90	17.79	0.89	17.79
Capital adequacy ratio (as provided by banks)	16.90	17.79	0.89	16.90	17.79	0.89	17.79