

## Average performance of the lebanese banking sector

Consolidated summarized balance sheet	LL Million			USD Million			%	
	2018	2019	19/18	2018	2019	19/18	2018	2019
<b>Assets</b>								
Primary liquidity	184,640,947.920	177,432,825.208	-3.9	122,481.557	117,700.050	-3.9	44.1	47.6
Portfolio securities	106,327,568.341	85,504,440.629	-19.6	70,532.384	56,719.364	-19.6	25.4	23.0
Loans and advances	109,992,021.173	91,862,564.299	-16.5	72,963.198	60,937.024	-16.5	26.2	24.7
Fixed assets	37,313,794.806	31,399,965.233	-15.8	24,752.103	20,829.164	-15.8	8.9	8.4
Other assets	8,709,542.561	8,535,191.911	-2.0	5,777.474	5,661.819	-2.0	2.1	2.3
<b>Total assets</b>	<b>419,151,404.384</b>	<b>372,403,460.320</b>	<b>-11.2</b>	<b>278,044.049</b>	<b>247,033.805</b>	<b>-11.2</b>	<b>100.0</b>	<b>100.0</b>
<b>Liabilities and shareholders' equity</b>								
Deposits from banks	58,186,843.865	40,490,647.132	-30.4	38,598.238	26,859.467	-30.4	13.9	10.9
Deposits from customers	306,788,844.200	286,369,088.876	-6.7	203,508.354	189,962.911	-6.7	73.2	76.9
Other liabilities	16,861,921.513	14,143,759.079	-16.1	11,185.354	9,382.261	-16.1	4.0	3.8
Shareholders' equity	37,313,794.806	31,399,965.233	-15.8	24,752.103	20,829.164	-15.8	8.9	8.4
<b>Total liabilities and shareholders' equity</b>	<b>419,151,404.384</b>	<b>372,403,460.320</b>	<b>-11.2</b>	<b>278,044.049</b>	<b>247,033.805</b>	<b>-11.2</b>	<b>100.0</b>	<b>100.0</b>
<b>Total footings</b>	<b>506,264,596.953</b>	<b>444,486,550.717</b>	<b>-12.2</b>	<b>335,830.578</b>	<b>294,850.117</b>	<b>-12.2</b>		
<b>Consolidated profit &amp; loss account</b>								
	LL Million			USD Million				
at year end	2018	2019	19/18	2018	2019	19/18		
Interest & similar income, net of tax	24,754,720.847	28,851,110.195	16.5	16,421.042	19,138.382	16.5		
Interest & similar expense	17,295,462.842	22,415,787.357	29.6	11,472.944	14,869.511	29.6		
<b>Net interest income</b>	<b>7,459,258.005</b>	<b>6,435,322.838</b>	<b>-13.7</b>	<b>4,948.098</b>	<b>4,268.871</b>	<b>-13.7</b>		
<b>Net fee income</b>	<b>1,549,800.982</b>	<b>1,449,129.962</b>	<b>-6.5</b>	<b>1,028.060</b>	<b>961.280</b>	<b>-6.5</b>		
Net gain/loss on financial instruments at FVTPL	617,131.907	136,298.763	-77.9	409.374	90.414	-77.9		
Net gain/loss on financial investments	50,907.099	173,460.628	240.7	33.769	115.065	240.7		
Other operating income	363,934.411	931,748.335	156.0	241.416	618.075	156.0		
<b>Total operating income</b>	<b>10,041,032.403</b>	<b>9,125,960.526</b>	<b>-9.1</b>	<b>6,660.718</b>	<b>6,053.705</b>	<b>-9.1</b>		
Allowance for expected credit loss (ECL)	469,699.864	6,608,765.434	-	311.575	4,383.924	-		
Impairment allowance of other fin. inv. (affiliates & subs.)	17,618.408	25,913.187	47.1	11.687	17.190	47.1		
Other provisions	49,109.075	70,646.713	43.9	32.577	46.863	43.9		
<b>Net operating income</b>	<b>9,504,605.056</b>	<b>2,420,635.193</b>	<b>-74.5</b>	<b>6,304.879</b>	<b>1,605.728</b>	<b>-74.5</b>		
<b>Total operating expenses</b>	<b>5,098,934.633</b>	<b>4,753,966.106</b>	<b>-6.8</b>	<b>3,382.378</b>	<b>3,153.543</b>	<b>-6.8</b>		
<b>Operating profit</b>	<b>4,405,670.423</b>	<b>-2,333,330.914</b>	<b>-</b>	<b>2,922.501</b>	<b>-1,547.815</b>	<b>-</b>		
Share of profit of associates under equity method	45,892.136	-1,450.421	-	30.443	-0.962	-		
Net gain/loss from sale or disposal of other assets	17,523.944	-14,781.355	-	11.625	-9.805	-		
<b>Profit before tax</b>	<b>4,469,086.504</b>	<b>-2,349,562.690</b>	<b>-</b>	<b>2,964.568</b>	<b>-1,558.582</b>	<b>-</b>		
Income tax	762,483.183	502,348.113	-34.1	505.793	333.233	-34.1		
<b>Profit after tax from operating activities</b>	<b>3,706,603.320</b>	<b>-2,851,910.803</b>	<b>-</b>	<b>2,458.775</b>	<b>-1,891.815</b>	<b>-</b>		
Profit after tax from discontinued activities	-3,974.837	-	-	-2.637	0.000	-		
<b>Net profit</b>	<b>3,702,628.483</b>	<b>-2,851,910.803</b>	<b>-</b>	<b>2,456.138</b>	<b>-1,891.815</b>	<b>-</b>		
Net profit - Non controlling interest	61,107.028	-30,021.027	-	40.535	-19.914	-		
<b>Net profit - Group share</b>	<b>3,641,521.455</b>	<b>-2,821,889.776</b>	<b>-</b>	<b>2,415.603</b>	<b>-1,871.900</b>	<b>-</b>		
<b>Growth</b>							<b>2018</b>	<b>2019</b>
Assets (%)							7.8	-11.2
Loans to customers (%)							-3.8	-16.5
Deposits from customers (%)							2.0	-6.7
Shareholders' equity (%)							0.4	-15.8
Total L/C openings for the year (%)							8.4	-16.8
Total income (%)							-7.3	-9.8
Total operating expenses (%)							-3.1	-6.8
Net profits for the year (%)							-5.0	0.0
<b>Management and cost efficiency</b>								
Footings per branch (LL Billion)							343.484	335.717
Footings per staff (LL Billion)							13.695	13.606
Staff per branch							23.6	23.3
Cost per average branch (LL Billion)							3.593	3.357
Staff expenses per average staff (LL Billion)							0.081	0.075
Staff expenses to total operating expenses (%)							56.47	55.25
Cost to income (%)							50.48	52.19
Cost to average assets (%)							1.26	1.20
<b>Liquidity</b>								
Net primary liquidity / deposits							53.90	54.35
Net primary liquidity in LL / deposits in LL							84.31	74.74
Net primary liquidity in FX / deposits in FX							42.65	48.50
<b>Capital adequacy</b>								
Common Tier 1 ratio							12.65	6.87
Additional Tier 1 ratio							2.82	1.90
<b>Tier 1 ratio</b>							<b>15.47</b>	<b>8.77</b>
Tier 2 ratio							2.31	1.52
<b>Total capital ratio</b>							<b>17.79</b>	<b>10.28</b>
<b>Profitability</b>								
Net return on average equities (%)							9.94	-8.30
Net return on average assets (%)							0.92	-0.72
<b>Investment considerations</b>								
Common earnings per share (LL)							818.61	-708.32
Common book per share (LL)							7,381.98	6,307.04
ROAE to hurdle rate (times)							0.62	-