

Financial Highlights June 2016

Following are the main highlights of BLC Bank SAL for the period ending June 30, 2016

A. Income Statement:

- ∩ The Bank's Consolidated Net Income reached US **\$19.5 M** in June 2016 which is 16% below the same period of last year. The drop is due to the booking of additional provisions in USB bank (BLCBANK subsidiary in Cyprus).
- ∩ Excluding the impact of USB bank financials, the result from the operations in Lebanon show a net income amounting to **\$23.3 M** which is **+0.3%** above same period of 2015.
- ∩ Recurrent income from the operations in Lebanon, which is constituted mainly of net interest and net commissions, reached **\$26.5 M** in June 2016, up by **+4.3%** from the **\$25.4 M** registered in June 2015.

B. Statement of Financial Position:

- Consolidated Total Assets decreased by **3.5%** in the first half of 2016 to reach US **\$5.54** billion as at June 30, 2016 compared to US **\$5.74** as at December 31, 2015. The decrease is due to the maturity of a special loan during 2016.
- Total Deposits increased by **+1.2%** as at June 30, 2016 to settle at **\$4.64 B** compared to December 31, 2015. Moreover, customers' deposits increased by **+5.2%** compared to June 2015.

Consolidated Income Statement

	Unaudited 30-Jun-16 <i>(000's \$)</i>	Audited 31-Dec-15 <i>(000's \$)</i>
Interest Income	157,206	316,417
Interest Expense	(97,291)	(190,519)
Net Interest Income	59,915	125,898
Fee and Commission Income	10,951	21,420
Fee and Commission Expense	(1,424)	(3,275)
Net fee and commission income	9,528	18,145
Net Interest and Gain / (Loss) on Fair Value securities	3,493	5,283
Gain from derecognition of financial assets measured at AC.		1,988
Other Operating Income	2,426	5,307
Net Financial Revenues	75,362	156,621
Allowance for Impairment of Loans and Advances (net)	(9,350)	(24,155)
Loans direct write off (net)	6	(128)
Write-back of Discount on Loan Portfolio Purchased	388	234
Net Financial Revenues after impairment loss / write back	66,407	132,573
Income originated from contractual future cash flows	-	7,958
Gain on disposal of property and equipment and properties acquired in satisfaction of debts	409	354
Allowance for contingencies	(12)	(349)
Change in fair value of investment properties	(453)	(1,584)
Staff costs	(26,672)	(51,315)
Administrative expenses	(13,167)	(28,289)
Depreciation and Amortization	(2,954)	(5,563)
Profit before income tax	23,557	53,784
Income Tax expense	(4,019)	(9,664)
Net profit for the period	19,539	44,120
Attributable to:		
Equity holders of the bank	19,546	44,179
Non controlling interest	(7)	(59)
	19,539	44,120

Consolidated Statement Of Financial Position

Amounts in (000's USD)

	Unaudited	Audited
	30-Jun-16	31-Dec-15
<u>ASSETS</u>		
Cash and Central bank	622,373	681,029
Deposits with banks and financial institutions	287,777	309,116
Loans to Banks	2,809	3,277
Investment securities at FVPL	118,401	128,151
Loans and advances to customers	1,866,103	1,907,262
Investment Securities at amortized cost	2,393,913	2,444,350
Investment Securities at FVOCI	11,047	12,857
Customers ' liability under acceptances	20,947	19,713
Assets acquired in satisfaction of loans	58,957	59,569
Investment Property	51,989	51,372
Properties and equipment	55,813	55,153
Intangible assets	1,794	1,948
Deferred charges	23,270	41,773
Goodwill	4,103	4,021
Other assets	21,048	21,499
Total Assets	5,540,344	5,741,089
<u>LIABILITIES</u>		
	30-Jun-16	31-Dec-15
Deposits and borrowings from banks	1,450	748
Customers' accounts at amortized cost	4,635,519	4,582,367
Liabilities under acceptances	20,947	19,713
Other borrowings	280,032	562,544
Other liabilities	69,494	64,569
Collective provisions for IFRS9	12,807	-
Provisions	6,448	5,899
Total Liabilities	5,026,698	5,235,839
<u>SHAREHOLDERS' EQUITY</u>		
Capital	101,294	101,294
Capital - Preferred shares	862	862
Premium on preferred shares	129,138	129,138
Reserves	121,999	112,157
Special reserve for assets acquired in satisfaction of debts	34,410	24,833
Cumulative translation adjustment	(1)	(0)
Retained earnings	97,690	82,353
Property revaluation reserve	83	112
Cumulative change in fair value of OCI securities	4,643	6,431
Net Profit for the Period	19,546	44,179
Total attributable to the equity holders of the parent	509,664	501,359
Non controlling interest	3,982	3,891
Total Equity	513,646	505,250
Total liabilities and Shareholders' Equity	5,540,344	5,741,089