
Section 1

Stock Performance of Top Three Lebanese Banks

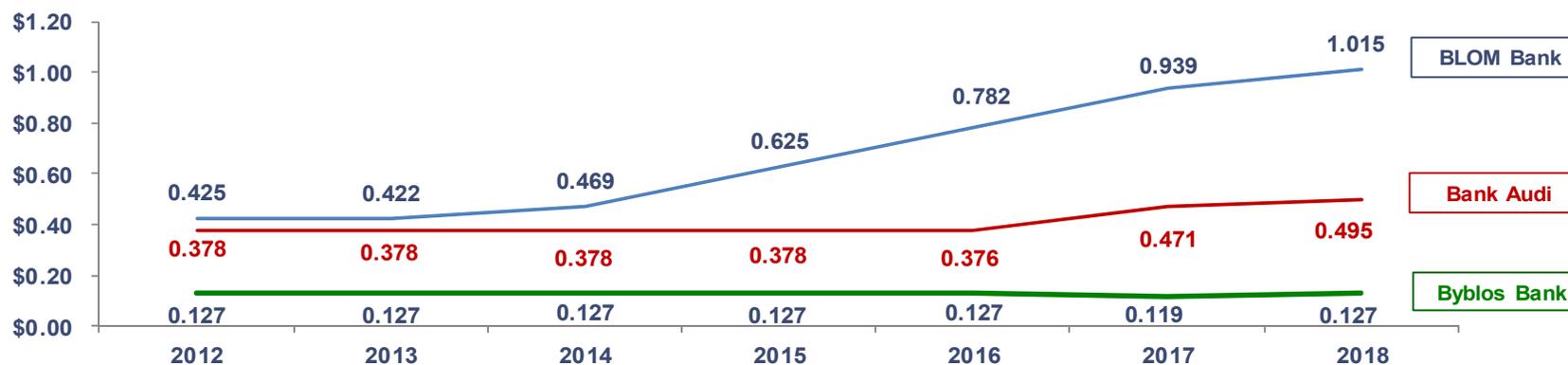
The following shows the return for a USD 1M investment for the last five years, three years and 1 year in BLOM GDR, Audi GDR and Byblos Common shares based on two scenarios, collecting the dividends or reinvesting the dividends

Top Three Lebanese Banks Relative Performance

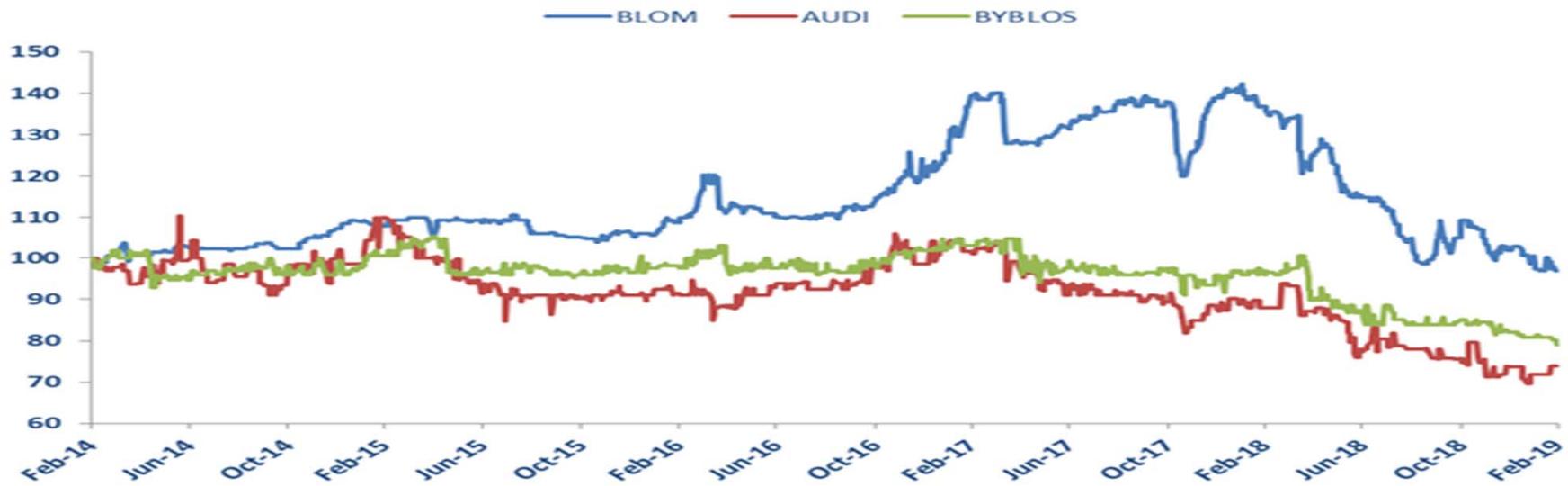
Without Dividend Reinvestment	1 Year	3 Years	5 Years
BLOM Bank (GDR)	-21.13%	16.38%	38.67%
Audi Bank (GDR)	-7.40%	3.11%	5.66%
Byblos Bank (Common)	-9.59%	2.77%	15.22%

With Dividend Reinvestment	1 Year	3 Years	5 Years
BLOM Bank (GDR)	-22.83%	12.66%	37.06%
Audi Bank (GDR)	-8.68%	-0.31%	2.73%
Byblos Bank (Common)	-10.54%	0.29%	13.89%

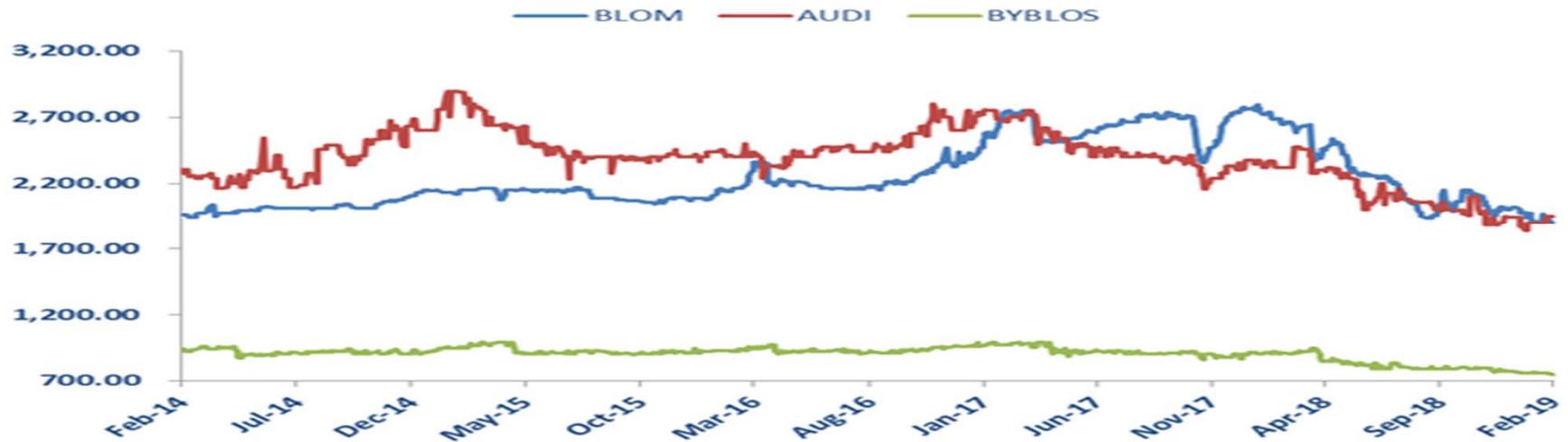
Net Dividend Distribution (per share) trend in USD for the Top Three Lebanese Banks



- Share price performance of the Top three Lebanese Banks for the last 5 Years excluding dividends paid



- The Market Capitalization (in USD M) of the Top three Lebanese Banks for the last 5 Years



Section 2

Executive Summary

Executive Summary

- On the Consolidated level, BLOM Bank recorded the highest net profit in the Lebanese banking sector. Net profit increased to USD 512M at year end 2018 up from USD 485M at year end 2017.
- Return on average common equity reached 16.52% at year end 2018 compared to 17.20% at year end 2017. Return on average assets reached 1.48% at year end 2018 compared to 1.56% at year end 2017. Both ratios were the highest recorded among listed Lebanese Banks.
- Total shareholders' equity recorded a growth of 8.76%; reaching USD 3.27B at year end 2018 compared to USD 3.01B at year end 2017 .
- Capital Adequacy Ratio continued to record high levels; reaching 20.10% at year end 2018.

Section 3

Year 2018 – Performance

Overview of the Sources of Funds

December 31, 2018 BLOM - Group % from Total

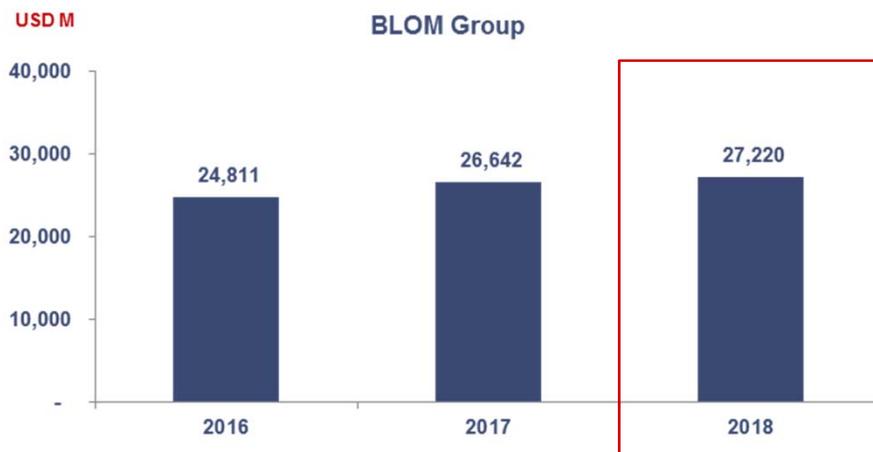
USD'000

Due to Central Bank	4,737,677	12.89%
Due to Banks	574,501	1.56%
Customer Deposits	27,219,841	74.09%
Other Liabilities	940,119	2.56%
Shareholders Equity	3,268,518	10.29%

Total Sources of Funds **36,740,656**

- “Customer Deposits” is the major source of funds in BLOM Group representing 74.09% from total sources of funds at year end 2018 compared to 81.86% at year end 2017.
- “Shareholders Equity” represents around 10% from total sources of funds in BLOM Group .

Customer Deposits



December 31, 2018	BLOM - Group
USD'000	
Due to Central Bank	4,737,677
Due to Banks	574,501
Customer Deposits	27,219,841
Other Liabilities	940,119
Shareholders Equity	3,268,518
Total Sources of Funds	36,740,656

- Consolidated Deposits increased by 2.2% from year 2017 due to the organic growth of the business, mainly in Lebanon, Egypt and Paris .
- Liquidity from a loans-to-deposit perspective appeared high with the ratio at 26.3% on a consolidated level at the end of 2018 vs. 28.3% in 2017.

Shareholders Equity



December 31, 2018	BLOM - Group
USD'000	
Due to Central Bank	4,737,677
Due to Banks	574,501
Customer Deposits	27,219,841
Other Liabilities	940,119
Shareholders Equity	3,268,518
Total Sources of Funds	36,740,656

- Consolidated Shareholders' Equity recorded a growth of 8.76% at year end 2018 compared to 2.49% at year end 2016.
- Consolidated total Capital adequacy ratio reached 20.10% at end of 2018.
- Consolidated Common Equity Tier 1 capital adequacy ratio recorded 19.16% at end of 2018.

Overview of the Uses of Funds

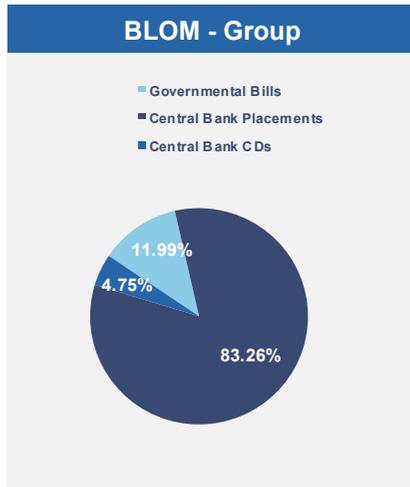
December 31, 2018 BLOM - Group % from Total

USD'000

Balances with Banks	1,595,113	4.34%
Sovereign Exposure	26,174,000	71.24%
Corporate Securities	574,798	1.56%
Commercial Loans	4,153,723	11.31%
Retail Loans	3,011,294	8.20%
Other Assets	1,231,728	3.35%
Total Assets	36,740,656	

- “Sovereign Exposure” remains in BLOM Group the major uses of funds representing 71.24% from total assets at year end 2018 compared to 64.00% at year end 2017.
- “Total Loans and Advances” represent in BLOM Group 19.51% from total assets at year end 2018 compared to 23.16% at year end 2017.
- “Balances with Banks” share from total BLOM Group reached 4.34% at year end 2018 compared to 7.35% at year end 2017.

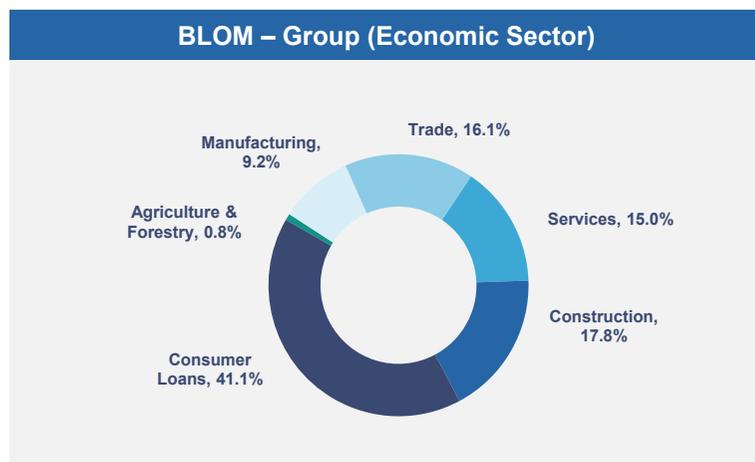
Sovereign Exposure



December 31, 2018	BLOM - Group
USD'000	
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Total Assets	36,740,656

- BLOM Group, the “sovereign exposure” has recorded a growth of 25.66% at year end 2018 compared to 15.76% at year end 2017.

Lending Portfolio

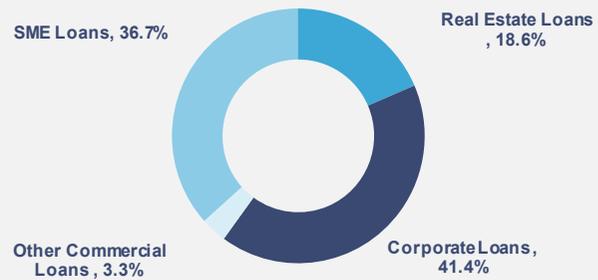


December 31, 2018	BLOM - Group
USD'000	
Balances with Banks	1,595,113
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Commercial Loans	4,153,723
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Other Assets	1,231,728
Total Assets	36,740,656

- Consolidated “Loans Portfolio” decreased by 4.95% at year end 2018 compared to a growth of 5.22% in year 2017.
- Consolidated “Gross NPL” recorded 4.48% at year end 2018 as compared to 4.34% at year end 2017. The coverage ratio reached 76.91% at year end 2018.

Commercial Loans

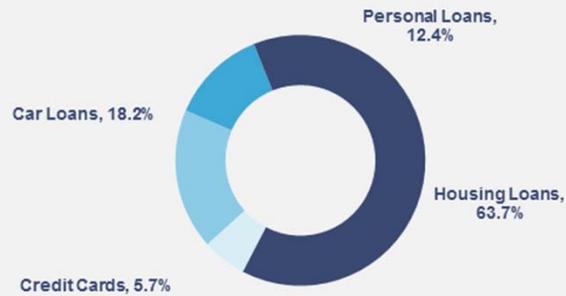
BLOM – Group (By Type)



- Consolidated “Corporate Lending” represented 41.4% from the total commercial loans followed by “SME Lending at 36.7%.
- Consolidated “Gross Commercial NPL” recorded 5.81% in year 2018 as compared to 5.76% in year 2017. The coverage ratio of these loans has reached 78.83% at year end 2018.

Retail Loans

BLOM – Group (By Product)



- Consolidated “Housing Loans” still constitute the lion’s share with 63.7% of total retail lending at year end 2018.
- Consolidated “Gross Retail NPL” recorded 2.57% in year 2018 compared to 2.36% at year end 2017. The coverage ratio of these loans reached 70.70% at year end 2018.

Section 4

Year 2018 – Peer Comparison

Year 2018 – Peer Comparison

- The combined net profits for the four largest listed Lebanese banks reached \$ 1,386.9M in year 2018 increasing by 4.69% from year 2017.
- BLOM Bank recorded the highest net profit for the year 2018 increasing by 5.43% to reach \$ 511.62M, and the best performance ratios for the year with the highest ROaCE (16.52%) and ROaA (1.48%), and lowest Cost to Income (35.4%).

	BLOM BANK		AUDI BANK		BYBLOS BANK		BOB	
	USD M	Yearly Δ	USD M	Yearly Δ	USD M	Yearly Δ	USD M	Yearly Δ
Financial Highlights								
Net Income	511.62	5.43%	500.56	7.92%	164.53	-3.29%	210.19	2.83%
Assets	36,741	12.90%	47,201	7.88%	25,001	10.32%	18,900	2.91%
Loans and Advances	7,165	-4.95%	13,267	-18.58%	5,443	-0.12%	5,738	0.90%
Customer Deposits	27,220	2.17%	31,956	-4.47%	18,467	2.58%	13,412	0.55%
Shareholders' Equity	3,269	8.76%	3,886	-7.20%	1,921	2.23%	2,353	0.03%
Performance Ratios	%		%		%		%	
ROACE	16.52%		14.0%		8.76%		13.1%	
ROAA	1.48%		1.12%		0.70%		1.13%	
Cost to income ratio	35.4%		48.23%		51.2%		43.37%	