

**BLOM Bank's Financial Results for first Quarter of 2018**  
**Steady Profitability amid Difficult Operating Conditions**

BLOM Bank published today its unaudited financial results for the first quarter of 2018. In a difficult environment characterized by a slowing economy, higher taxes on banks, and continuing regional instability, BLOM Bank managed to maintain steady profitability, thanks to its managerial and operational efficiency. Net profit was \$116.83 million, higher by 4.28% from 1Q2017, and implying the highest profitability ratios among listed banks with the rate of return on average common equity reaching 15.21% and the rate of return on average assets 1.42%.

Balance sheets aggregates also performed reasonably well. Assets rose to \$33.19 billion, up by 10.13% from end of March 2017; deposits increased to \$26.73 billion, higher by 5.87%; loans rose to \$7.58 billion, up by 6.53%; and shareholders' equity (more than 99% in Tier I capital) increased to \$3.13 billion, higher by 9.41%.

BLOM's results also indicate a strong financial position for the Bank. In this respect, the capital adequacy ratio stood at 18.5%, primary liquidity at 82%, gross NPLs at 3.2%, loans coverage by specific and real guarantees at 130%, and the cost-to-income ratio at 37.03% which is the lowest among listed banks.

BLOM Bank's performance in 1Q2018 is a testimony to the success of its conservative yet flexible business model. It also looks forward to better operating conditions in the near future with the onset of the "Cedre" conference and the completion of the parliamentary elections.

30 April, 2018

# Financial Results for the First Quarter of the Year 2018

## Consolidated Statement of Financial Position

<b>Assets</b> (In USD Thousand)	<b>31/3/2018</b> Unaudited	<b>31/12/2017</b> Audited
Cash and balances with the Central Banks	16,872,001	16,338,634
Banks and financial institutions	2,254,063	2,363,684
Due from head office, parent, and sister banks/companies	-	-
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	157,296	29,528
Derivative financial instruments	11,764	13,533
Shares and securities designated at FVTPL	129,380	131,185
Financial assets designated at FVTPL	98,212	110,085
out of which : Loans and advances designated at FVTPL	-	-
Loans and advances to customers designated at Amortised Cost	7,556,543	7,519,718
Loans and advances to related parties designated at Amortised Cost	19,274	18,670
Bank acceptances	127,733	100,027
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	25,423	2,802
Financial assets classified at Amortised Cost	5,221,840	5,211,526
Investment and loans to related parties	-	-
Assets taken in recovery of debt	40,015	40,252
Tangible fixed assets	533,823	529,270
Intangible fixed assets	1,438	1,441
Other assets	143,992	132,336
Goodwill	1,341	1,324
<b>Total Assets</b>	<b>33,194,138</b>	<b>32,544,015</b>

## Consolidated Statement of Financial Position

Liabilities (In USD Thousand)	31/3/2018 Unaudited	31/12/2017 Audited
Due to Central Banks	1,839,140	1,500,635
Due to banks & financial institutions and repurchase agreements	437,969	383,871
Due to head office, parent, and sister banks / companies	-	-
Derivative financial instruments	5,244	22,811
Financial liabilities designated at FVTPL	-	-
out of which : Customers' Deposits at FVTPL	-	-
Customers' deposits at Amortised Cost	26,621,987	26,518,752
Related parties deposits at Amortised Cost	112,604	123,099
Debt issued and other borrowed funds	-	-
Engagements by acceptances	127,733	100,027
Other liabilities	600,104	542,221
Provisions for risks and charges	323,274	347,213
Liabilities related to non-current assets held for sale	-	-
<b>Total Liabilities</b>	<b>30,068,055</b>	<b>29,538,629</b>
<b>Shareholders' Equity</b>		
Share capital - Common Shares	213,930	213,930
Share capital - Preferred Shares	-	-
Share premium on common shares	248,132	248,132
Share premium on preferred shares	-	-
Non distributable reserve (Legal and Obligatory)	870,876	870,831
Distributable free reserve	407,455	398,811
Treasury shares	(7,737)	(5,621)
Retained earnings	1,000,704	1,008,597
Reserves for revaluation variance-real estate	9,769	9,769
Fair value for financial assets at FVTOCI	44	407
Foreign currency translation reserve	(266,778)	(272,067)
Profit of the previous financial period	482,057	-
Non-controlling interests	51,372	50,540
out of which : Profit allocated to non-controlling interests	567	3,215
Profit of the financial period	116,259	482,057
<b>Total Shareholders' Equity</b>	<b>3,126,083</b>	<b>3,005,386</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>33,194,138</b>	<b>32,544,015</b>

## Consolidated Statement of Financial Position

Off Financial Position (In USD Thousand)	31/3/2018 Unaudited	31/12/2017 Audited
<b>Financing commitments</b>		
Financing commitments issued	141,234	161,676
Financing commitments received from financial intermediaries	81,745	74,030
Commitments to lend	182,588	293,872
<b>Guarantees</b>		
Guarantees given to financial intermediaries	141,747	130,133
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	45,832	51,057
out of which: credit derivatives	-	-
Guarantees given to customers	575,276	576,057
Guarantees received from customers	13,506,900	13,459,483
<b>Commitments on financial assets</b>		
Financial assets to receive	-	-
out of which: financial assets sold with an option to repurchase	-	-
Financial assets to deliver	12,604	-
out of which: financial assets bought with an option to resell	-	-
<b>Operations in foreign currencies</b>		
Foreign currencies to receive	1,858,403	2,587,326
Foreign currencies to deliver	1,853,373	2,591,693
<b>Commitments on term financial instruments</b>	<b>275,039</b>	<b>336,959</b>
<b>Other commitments</b>	<b>1,315,526</b>	<b>976,982</b>
<b>Fiduciary deposits</b>	<b>586,615</b>	<b>355,423</b>
Under specific instructions	586,615	355,423
Under discretionary investments	-	-
<b>Financial assets under management</b>	<b>7,483,390</b>	<b>7,485,800</b>
<b>Mutual Funds</b>	-	-
<b>Financial assets linked to indices and financial derivatives</b>	-	-
<b>Bad loans fully provided for and transferred to off balance sheet during the period</b>	<b>5,627</b>	<b>222,055</b>

## Consolidated Income Statement

(In USD Thousand)	For the period ended	31/3/2018 Unaudited	31/3/2017 Unaudited
Interest and similar income		503,824	425,118
Interest and similar charges		(309,761)	(254,496)
<b>Net interest income</b>		<b>194,063</b>	<b>170,622</b>
Fees and commission income		44,829	40,861
Fees and commission expense		(10,967)	(8,331)
<b>Net Fees and commission income</b>		<b>33,862</b>	<b>32,530</b>
Net gain (loss) on financial assets & liabilities designated at fair value through profit & loss		9,057	7,371
out of which : Net gain (loss) on Interest Income		580	1,413
Net gain (loss) on financial operations		287	2
Other operating income		7,991	3,831
<b>Total operating income</b>		<b>245,260</b>	<b>214,356</b>
Credit loss expense		(5,779)	314
Provisions for impairment losses on other financial investments		-	-
<b>Net operating income</b>		<b>239,481</b>	<b>214,670</b>
Personnel charges		(58,441)	(48,078)
General and other operating expenses		(29,077)	(25,410)
Depreciation of tangible fixed assets		(6,156)	(5,420)
Amortization of intangible fixed assets		(252)	(459)
Provisions for impairment loss of goodwill		-	-
<b>Total operating expenses</b>		<b>(93,926)</b>	<b>(79,367)</b>
<b>Net operating profit</b>		<b>145,555</b>	<b>135,303</b>
Share of profit of associate		-	-
Provisions for Risks & Charges		-	-
Loss on Deconsolidation		-	-
Net profit (loss) from sale or disposal of other assets		(1,157)	(3)
<b>Net profit before taxes</b>		<b>144,398</b>	<b>135,300</b>
Income tax		(27,572)	(23,273)
<b>Operating profit after tax</b>		<b>116,826</b>	<b>112,027</b>
Net profit after tax from Non-current assets held-for-sale & discontinued operations		-	-
<b>Net profit</b>		<b>116,826</b>	<b>112,027</b>
Attributable to equity holders of the parent		116,259	111,345
Attributable to non-controlling interests		567	682
EPS (Basic) in USD		0.54	0.52
EPS (Diluted) in USD		0.54	0.52

# Financial Results for the First Quarter of the Year 2018

## Consolidated Statement of Financial Position

<b>Assets</b> (In LBP Million)	<b>31/3/2018</b> Unaudited	<b>31/12/2017</b> Audited
Cash and balances with the Central Banks	25,434,541	24,630,491
Banks and financial institutions	3,398,000	3,563,253
Due from head office, parent, and sister banks/companies	-	-
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	237,123	44,513
Derivative financial instruments	17,734	20,401
Shares and securities designated at FVTPL	195,041	197,762
Financial assets designated at FVTPL	148,055	165,953
out of which : Loans and advances designated at FVTPL	-	-
Loans and advances to customers designated at Amortised Cost	11,391,488	11,335,975
Loans and advances to related parties designated at Amortised Cost	29,056	28,145
Bank acceptances	192,558	150,791
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	38,325	4,224
Financial assets classified at Amortised Cost	7,871,924	7,856,375
Investment and loans to related parties	-	-
Assets taken in recovery of debt	60,322	60,680
Tangible fixed assets	804,738	797,875
Intangible fixed assets	2,168	2,173
Other assets	217,068	199,497
Goodwill	2,022	1,996
<b>Total Assets</b>	<b>50,040,163</b>	<b>49,060,104</b>

## Consolidated Statement of Financial Position

Liabilities (In LBP Million)	31/3/2018 Unaudited	31/12/2017 Audited
Due to Central Banks	2,772,504	2,262,208
Due to banks & financial institutions and repurchase agreements	660,238	578,685
Due to head office, parent, and sister banks / companies	-	-
Derivative financial instruments	7,906	34,387
Financial liabilities designated at FVTPL	-	-
out of which : Customers' Deposits at FVTPL	-	-
Customers' deposits at Amortised Cost	40,132,646	39,977,019
Related parties' deposits at Amortised Cost	169,751	185,571
Debt issued and other borrowed funds	-	-
Engagements by acceptances	192,558	150,791
Other liabilities	904,651	817,398
Provisions for risks and charges	487,336	523,424
Liabilities related to non-current assets held for sale	-	-
<b>Total Liabilities</b>	<b>45,327,590</b>	<b>44,529,483</b>
<b>Shareholders' Equity</b>		
Share capital - Common Shares	322,500	322,500
Share capital - Preferred Shares	-	-
Share premium on common shares	374,059	374,059
Share premium on preferred shares	-	-
Non distributable reserve (Legal and Obligatory)	1,312,845	1,312,778
Distributable free reserve	614,239	601,207
Treasury shares	(11,663)	(8,473)
Retained earnings	1,508,562	1,520,460
Reserves for revaluation variance-real estate	14,727	14,727
Fair value for financial assets at FVTOCI	67	614
Foreign currency translation reserve	(402,168)	(410,141)
Profit of the previous financial period	726,701	-
Non-controlling interests	77,443	76,189
out of which : Profit allocated to non-controlling interests	855	4,847
Profit of the financial period	175,261	726,701
<b>Total Shareholders' Equity</b>	<b>4,712,573</b>	<b>4,530,621</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>50,040,163</b>	<b>49,060,104</b>



## Consolidated Statement of Financial Position

Off Financial Position (In LBP Million)	31/3/2018 Unaudited	31/12/2017 Audited
<b>Financing commitments</b>		
Financing commitments issued	212,910	243,727
Financing commitments received from financial intermediaries	123,231	111,600
Commitments to lend	275,252	443,012
<b>Guarantees</b>		
Guarantees given to financial intermediaries	213,684	196,175
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	69,092	76,968
out of which: credit derivatives	-	-
Guarantees given to customers	867,228	868,406
Guarantees received from customers	20,361,651	20,290,171
<b>Commitments on financial assets</b>		
Financial assets to receive	-	-
out of which: financial assets sold with an option to repurchase	-	-
Financial assets to deliver	19,000	-
out of which: financial assets bought with an option to resell	-	-
<b>Operations in foreign currencies</b>		
Foreign currencies to receive	2,801,542	3,900,394
Foreign currencies to deliver	2,793,960	3,906,977
<b>Commitments on term financial instruments</b>	<b>414,622</b>	<b>507,966</b>
<b>Other commitments</b>	<b>1,983,156</b>	<b>1,472,800</b>
<b>Fiduciary deposits</b>	<b>884,322</b>	<b>535,800</b>
Under specific instructions	884,322	535,800
Under discretionary investments	-	-
<b>Financial assets under management</b>	<b>11,281,210</b>	<b>11,284,843</b>
<b>Mutual Funds</b>	-	-
<b>Financial assets linked to indices and financial derivatives</b>	-	-
<b>Bad loans fully provided for and transferred to off balance sheet during the period</b>	<b>8,482</b>	<b>334,748</b>



## Consolidated Income Statement

(In LBP Million)	For the period ended	31/3/2018 Unaudited	31/3/2017 Unaudited
Interest and similar income		759,514	640,865
Interest and similar charges		(466,965)	(383,652)
<b>Net interest income</b>		<b>292,549</b>	<b>257,213</b>
Fees and commission income		67,579	61,598
Fees and commission expense		(16,532)	(12,559)
<b>Net Fees and commission income</b>		<b>51,047</b>	<b>49,039</b>
Net gain / (loss) on financial assets & liabilities designated at fair value through profit & loss		13,653	11,112
out of which : Net gain / (loss) on Interest Income		874	2,130
Net gain / (loss) on financial operations		432	3
Other operating income		12,047	5,775
<b>Total operating income</b>		<b>369,728</b>	<b>323,142</b>
Credit loss expense		(8,712)	474
out of which : Credit loss for financial instruments at amortized cost		-	-
Provisions for impairment losses on other financial investments		-	-
<b>Net operating income</b>		<b>361,016</b>	<b>323,616</b>
Personnel charges		(88,102)	(72,477)
General and other operating expenses		(43,829)	(38,305)
Depreciation of tangible fixed assets		(9,280)	(8,171)
Amortization of intangible fixed assets		(380)	(692)
Provisions for impairment loss of goodwill		-	-
<b>Total operating expenses</b>		<b>(141,591)</b>	<b>(119,645)</b>
<b>Net operating profit</b>		<b>219,425</b>	<b>203,971</b>
Share of profit of associate		-	-
Provisions for Risks & Charges		-	-
Loss on Deconsolidation		-	-
Net profit / (loss) from sale or disposal of other assets		(1,744)	(5)
<b>Net profit before taxes</b>		<b>217,681</b>	<b>203,966</b>
Income tax		(41,565)	(35,084)
<b>Operating profit after tax</b>		<b>176,116</b>	<b>168,882</b>
Net profit after tax from non-current assets held-for-sale and discontinued operations		-	-
<b>Net profit</b>		<b>176,116</b>	<b>168,882</b>
Attributable to equity holders of the parent		175,261	167,854
Attributable to non-controlling interests		855	1,028
EPS (Basic) in LBP		817	788
EPS (Diluted) in LBP		817	788