

BLOM Bank's Financial Results for the First Quarter of 2019 Steady Growth and Profits

BLOM Bank announced today its consolidated financial results for the first quarter of 2019. Given the difficult operating conditions characterized by a weakening economy and higher taxes on banks, BLOM managed to register a notable performance. Net profit was at \$117.15 million, higher by 0.28% from end March 2018. The Bank's declining profits in Lebanon were compensated for by the Bank's higher profits from its foreign units, especially Egypt. This net profit level also implied the highest profitability ratios among listed banks, with the rate of return on average common equity reaching 14.02% and the rate of return on average assets reaching 1.26%.

Also notable was the performance of the Bank's balance sheet aggregates. Assets increased to \$37.77 billion, up by 13.79% from end March 2018; customers' deposits rose to \$27.81 billion, higher by 4%; shareholders' equity grew to \$3.39 billion, up by 8.33%; while loans to customers stood at \$6.91 billion, down by 8.84%.

BLOM Bank managed additionally to score strong financial and managerial indicators. This is reflected in its capital adequacy ratio at 19.6%; its primary liquidity ratio at 85.2%; its coverage ratio of non-performing loans with specific and collective provisions and real guarantees at 150%; and its cost to income ratio at 37.2%, the lowest among listed banks.

25 April, 2019

Financial Results for the first quarter of the year 2019

Consolidated Statement of Financial Position

Assets (In USD Thousand)	31/3/2019 Unaudited	31/12/2018 Audited
Cash and balances with the Central Banks	22,870,671	21,980,369
Banks and financial institutions	1,790,147	1,569,996
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	29,070	25,117
Derivative financial instruments	17,252	12,439
Shares and securities designated at FVTPL	138,191	126,430
Financial assets designated at FVTPL	115,033	113,239
Loans and advances to customers designated at Amortised Cost	6,891,843	7,148,803
Loans and advances to related parties designated at Amortised Cost	14,637	16,214
Bank acceptances	167,460	127,026
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	11,537	9,688
Financial assets classified at Amortised Cost	5,003,094	4,915,729
Investment and loans to related parties	-	-
Assets taken in recovery of debt	39,492	38,657
Tangible fixed assets	534,606	533,217
Intangible fixed assets	3,208	3,311
Other assets	142,838	119,103
Goodwill	1,307	1,317
Total Assets	37,770,386	36,740,655

Consolidated Statement of Financial Position

Liabilities (In USD Thousand)	31/3/2019 Unaudited	31/12/2018 Audited
Due to Central Banks	5,154,153	4,737,677
Due to banks & financial institutions and repurchase agreements	424,207	574,501
Derivative financial instruments	13,701	15,006
Financial liabilities designated at FVTPL	-	-
out of which : Customers' Deposits at FVTPL	-	-
Customers' deposits at Amortised Cost	27,395,310	26,808,228
Related parties deposits at Amortised Cost	101,554	108,934
Debt issued and other borrowed funds	308,266	302,679
Engagements by acceptances	168,640	127,861
Other liabilities	607,042	563,711
Provisions for risks and charges	210,929	233,540
Liabilities related to non-current assets held for sale	-	-
Total Liabilities	34,383,802	33,472,137
Shareholders' Equity		
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)	1,017,365	1,017,365
Distributable free reserve	426,333	426,333
Treasury shares	(9,000)	(9,000)
Retained earnings	1,064,005	1,068,864
Reserves for revaluation variance-real estate	9,769	9,769
Fair value for financial assets at FVTOCI	803	(635)
Foreign currency translation reserve	(262,848)	(266,754)
Profit of the previous financial period - Profit / (Loss)	507,965	-
Non-controlling interests	53,799	52,549
out of which : Profit allocated to non-controlling interests	819	3,657
Profit of the financial period - Profit / (Loss)	116,331	507,965
Total Shareholders' Equity	3,386,584	3,268,518
Total Liabilities and Shareholders' Equity	37,770,386	36,740,655

Consolidated Statement of Financial Position

Off Financial Position (In USD Thousand)	31/3/2019 Unaudited	31/12/2018 Audited
Financing commitments		
Financing commitments issued	131,746	159,667
Financing commitments received from financial intermediaries	37,794	60,241
Commitments to lend	282,990	245,737
Guarantees		
Guarantees given to financial intermediaries	157,662	152,474
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	50,076	44,931
out of which: credit derivatives	-	-
Guarantees given to customers	596,896	601,200
Guarantees received from customers	13,550,080	13,629,295
Commitments on financial assets		
Financial assets to receive	-	-
out of which: financial assets sold with an option to repurchase	-	-
Financial assets to deliver	-	-
out of which: financial assets bought with an option to resell	-	-
Operations in foreign currencies		
Foreign currencies to receive	2,689,902	2,683,906
Foreign currencies to deliver	2,680,984	2,686,419
Commitments on term financial instruments	1,073,012	1,075,012
Other commitments	1,592,060	1,589,754
Fiduciary deposits	953,067	866,520
Under specific instructions	953,067	866,520
Under discretionary investments	-	-
Financial assets under management	7,240,777	7,068,047
Mutual Funds	-	-
Financial assets linked to indices and financial derivatives	-	-
Bad loans fully provided for and transferred to off balance sheet during the period	7,768	65,672

Consolidated Income Statement

(In USD Thousand)	For the period ended	31/3/2019 Unaudited	31/3/2018 Unaudited
Interest and similar income		673,159	524,894
Less: tax on interest income		(32,176)	(21,070)
Interest and similar income, net of tax		640,983	503,824
Interest and similar charges		(446,880)	(309,761)
Net interest income		194,103	194,063
Fees and commission income		42,070	44,829
Fees and commission expense		(10,606)	(10,967)
Net Fees and commission income		31,464	33,862
Net gain (loss) on financial assets & liabilities designated at fair value through profit & loss		19,183	9,057
out of which : Net gain (loss) on Interest Income		772	580
Net gain (loss) on financial operations		24	287
Other operating income		1,418	7,991
Total operating income		246,192	245,260
Net impairment losses on financial assets		(11,826)	(5,779)
Provisions for impairment losses on other financial investments		-	-
Net operating income		234,366	239,481
Personnel charges		(58,214)	(58,441)
General and other operating expenses		(29,054)	(29,077)
Depreciation of tangible fixed assets		(6,084)	(6,156)
Amortization of intangible fixed assets		(352)	(252)
Provisions for impairment loss of goodwill		-	-
Total operating expenses		(93,704)	(93,926)
Net operating profit		140,662	145,555
Share of profit of associate		-	-
Provisions for Risks & Charges		-	-
Loss on Deconsolidation		-	-
Net profit (loss) from sale or disposal of other assets		(2)	(1,157)
Net profit before taxes		140,660	144,398
Income tax		(23,510)	(27,572)
Operating profit after tax		117,150	116,826
Net profit after tax from non-current assets held-for-sale & discontinued operations		-	-
Net profit		117,150	116,826
Attributable to equity holders of the parent		116,331	116,259
Attributable to non-controlling interests		819	567
EPS (Basic) in USD		0.54	0.54
EPS (Diluted) in USD		0.54	0.54