

**BLOM Bank's Financial Results for the First Nine Months of 2017: Sustained Growth and  
Highest Profitability Ratios**

BLOM Bank announced today its un-audited financial results for the first nine months of 2017. The results are quite robust, considering the slowdown in the Lebanese economy and the political troubles still facing the region. Net profit increased to \$356.93 million, up by 3.73% from end September 2016. It was driven by increases in profits at BLOM Bank's domestic and foreign subsidiaries, and implied very decent profitability ratios for the Bank with ROAcE reaching 16.93% and ROAA 1.55%, the highest ratios among listed banks.

Notable growth also marked BLOM Bank's balance sheet aggregates, abetted by the acquisition of the assets and liabilities of the three branches of HSBC Lebanon on 17/6/2017. Assets increased to \$31.79 billion, higher by 7.73% from end December 2016; customers' deposits rose to \$26.88 billion, up by 8.35%; while loans increased to \$7.62 billion, higher by 6.43%.

The financial results attest to BLOM Bank's prudent management and the success of its domestic and regional expansion strategy. In addition, they were accomplished while maintaining BLOM Bank's strong financial and managerial efficiency standing, as reflected in a capital adequacy ratio of 17.7%; a net NPLs ratio of 0.6%; and a cost-to-income ratio of 34.37%, the lowest among listed banks.

30 October, 2017

# Financial Results as at 30/9/2017

## Consolidated Statement of Financial Position

Assets (In USD Thousand)	30/9/2017 Unaudited	31/12/2016 Audited
Cash and balances with the Central Banks	15,594,936	11,934,440
Banks and financial institutions	2,131,382	2,109,891
Due from head office, parent, and sister banks/companies	-	-
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	51,455	40,168
Derivative financial instruments	13,018	35,277
Shares and securities designated at FVTPL	129,283	122,849
Financial assets designated at FVTPL	91,903	133,640
out of which : Loans and advances designated at FVTPL	-	-
Loans and advances to customers designated at Amortised Cost <sup>(1)</sup>	7,607,942	7,103,410
Loans and advances to related parties designated at Amortised Cost	17,119	60,734
Bank acceptances	120,154	75,285
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	2,730	2,531
Financial assets classified at Amortised Cost	5,294,005	7,293,488
Investment and loans to related parties	-	-
Assets taken in recovery of debt	32,870	33,006
Tangible fixed assets	523,327	466,627
Intangible fixed assets	1,278	1,646
Other assets	128,084	103,772
Goodwill	60,137	1,294
<b>Total Assets</b>	<b>31,799,623</b>	<b>29,518,058</b>

(1) After taking into consideration total provisions amounting to USD 207,045 thousand and USD 277,277 thousand as at 30/09/2017 and 31/12/2016 respectively, from total loans and advances to customers according to IAS 39; out of which collective provisions stood at USD 65,948 thousand and USD 61,272 thousand as at 30/09/2017 and 31/12/2016 respectively.

## Consolidated Statement of Financial Position

Liabilities (In USD Thousand)	30/9/2017 Unaudited	31/12/2016 Audited
Due to Central Banks	636,968	346,236
Due to banks & financial institutions and repurchase agreements	328,765	391,912
Due to head office, parent, and sister banks / companies	-	-
Derivative financial instruments	8,505	22,246
Financial liabilities designated at FVTPL	-	-
out of which : Customers' Deposits at FVTPL	-	-
Customers' deposits at Amortised Cost	26,755,601	24,636,701
Related parties' deposits at Amortised Cost	128,052	174,123
Debt issued and other borrowed funds	-	-
Engagements by acceptances	120,154	75,285
Other liabilities	539,716	545,334
Provisions for risks and charges	408,067	393,799
Liabilities related to non-current assets held for sale	-	-
<b>Total Liabilities</b>	<b>28,925,827</b>	<b>26,585,636</b>
<b>Shareholders' Equity</b>		
Share capital - Common Shares	213,930	171,144
Share capital - Preferred Shares	-	15,920
Share premium on common shares	248,132	248,132
Share premium on preferred shares	-	184,080
Non distributable reserve (Legal and Obligatory)	868,156	791,146
Distributable free reserve	401,053	371,382
Treasury shares	(10,261)	(11,238)
Retained earnings	1,009,183	937,485
Reserves for revaluation variance-real estate	9,769	9,769
Fair value for financial assets at FVTOCI	356	365
Foreign currency translation reserve	(271,089)	(283,060)
Non-controlling interests	49,504	48,581
out of which : Profit allocated to non-controlling interests	1,863	14,112
Results of the financial period - Profit	355,063	448,716
<b>Total Shareholders' Equity</b>	<b>2,873,796</b>	<b>2,932,422</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>31,799,623</b>	<b>29,518,058</b>

## Consolidated Statement of Financial Position

Off Financial Position (In USD Thousand)	30/9/2017 Unaudited	31/12/2016 Audited
<b>Financing commitments</b>		
Financing commitments issued	106,556	94,813
Financing commitments received from financial intermediaries	82,708	33,960
Commitments to lend	280,424	233,132
<b>Guarantees</b>		
Guarantees given to financial intermediaries	116,250	78,892
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	50,647	45,510
out of which: credit derivatives	-	-
Guarantees given to customers	551,282	372,831
Guarantees received from customers	13,828,751	12,310,848
<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	21,891.00	-
out of which: financial assets bought with an option to resell	-	-
<b>Operations in foreign currencies</b>		
Foreign currencies to receive	1,956,030	2,055,012
Foreign currencies to deliver	1,955,298	2,050,537
<b>Commitments on term financial instruments</b>	<b>585,295</b>	<b>868,255</b>
<b>Other commitments</b>	<b>351,029</b>	<b>47,451</b>
<b>Fiduciary deposits</b>	<b>303,475</b>	<b>134,653</b>
Under specific instructions	303,475	134,653
Under discretionary investments	-	-
<b>Financial assets under management</b>	<b>7,499,919</b>	<b>6,987,562</b>
<b>Mutual Funds</b>	-	-
<b>Financial assets linked to indices and financial derivatives</b>	-	-
<b>Bad debts written off during the period</b>	<b>208,196</b>	<b>(16,525)</b>

## Consolidated Income Statement

(In USD Thousand)	For the period ended	30/9/2017 Unaudited	30/9/2016 Unaudited
Interest and similar income		1,355,433	1,254,322
Interest and similar charges		(808,511)	(747,624)
<b>Net interest income</b>		<b>546,922</b>	<b>506,698</b>
Fees and commission income		126,258	138,736
Fees and commission expense		(27,928)	(26,635)
<b>Net Fees and commission income</b>		<b>98,330</b>	<b>112,101</b>
Net gain / (loss) on financial assets & liabilities designated at fair value through profit & loss		17,486	59,514
out of which : Net gain / (loss) on Interest Income		3,133	4,823
Net gain / (loss) on financial operations		46,387	43,381
Other operating income		13,049	4,527
<b>Total operating income</b>		<b>722,174</b>	<b>726,221</b>
Credit loss expense		(11,510)	(35,180)
out of which : Credit loss for financial instruments at amortized cost		-	-
Provisions for impairment losses on other financial investments		199	(21)
<b>Net operating income</b>		<b>710,863</b>	<b>691,020</b>
Personnel charges		(159,147)	(156,582)
General and other operating expenses		(85,196)	(87,236)
Depreciation of tangible fixed assets		(17,276)	(17,767)
Amortization of intangible fixed assets		(1,068)	(2,019)
Provisions for impairment loss of goodwill		-	-
<b>Total operating expenses</b>		<b>(262,687)</b>	<b>(263,604)</b>
<b>Net operating profit</b>		<b>448,176</b>	<b>427,416</b>
Net profit (loss) from sale or disposal of other assets		3	134
<b>Net profit before taxes</b>		<b>448,179</b>	<b>427,550</b>
Income tax		(91,253)	(83,474)
<b>Operating profit after tax</b>		<b>356,926</b>	<b>344,076</b>
Net profit after tax from Non-current assets held-for-sale & discontinued operations		-	-
<b>Net profit</b>		<b>356,926</b>	<b>344,076</b>
Attributable to equity holders of the parent		355,063	332,769
Attributable to non-controlling interests		1,863	11,307
EPS (Basic) in USD		1.66	1.65
EPS (Diluted) in USD		1.66	1.65