

BLOM Bank's Financial Results for Year 2017
Notable Growth and Steady Profitability

BLOM Bank announced today its un-audited financial results for the 2017 year. Despite a precarious economic and political environment in Lebanon and the region, BLOM Bank managed to record a notable performance. Net profit increased to \$484.69 million, up by 4.72% from year 2016, and implied a rate of return on average common equity of 17.19% and a rate of return on average assets of 1.56% -- both the highest among listed banks. As important, profits were driven by the Bank's successful operations in Lebanon and abroad.

Equally notable was the bank's steady growth in its main balance sheet items. Assets increased to \$32.52 billion, up by 10.20% from year 2016; deposits rose to \$26.64 billion, higher by 7.38%; loans increased to \$7.53 billion, up by 5.22%; and shareholders' equity rose to \$3.00 billion, higher by 2.49%.

Once again, the Banks' conservative strategy and its excellent managerial and operational efficiency, as reflected in the lowest cost-to-income ratio among listed banks at 34.36%, equipped the Bank with enough flexibility and fortitude to surpass the difficult operating conditions facing it and to remain one of the leading banks in the region.

30 January, 2017

Financial Results for the year 2017

Consolidated Statement of Financial Position

Assets (In USD Thousand)	31/12/2017 Unaudited	31/12/2016 Audited
Cash and balances with the Central Banks	16,333,491	11,934,440
Banks and financial institutions	2,368,821	2,109,891
Due from head office, parent, and sister banks/companies	-	-
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	29,528	40,168
Derivative financial instruments	13,533	35,277
Shares and securities designated at FVTPL	131,237	122,849
Financial assets designated at FVTPL	110,163	133,640
out of which : Loans and advances designated at FVTPL	-	-
Loans and advances to customers designated at Amortised Cost ⁽¹⁾	7,519,552	7,103,410
Loans and advances to related parties designated at Amortised Cost	18,576	60,734
Bank acceptances	100,027	75,285
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	2,750	2,531
Financial assets classified at Amortised Cost	5,211,525	7,293,488
Investment and loans to related parties	-	-
Assets taken in recovery of debt	40,252	33,006
Tangible fixed assets	529,500	466,627
Intangible fixed assets	1,211	1,646
Other assets	131,506	103,772
Goodwill	1,324	1,294
Total Assets	32,542,996	29,518,058

(1) After taking into consideration total provisions amounting to USD 206,105 thousand and USD 277,277 thousand as at 31/12/2017 and 31/12/2016 respectively, from total loans and advances to customers according to IAS 39; out of which collective provisions stood at USD 68,250 thousand and USD 61,272 thousand as at 31/12/2017 and 31/12/2016 respectively.

Consolidated Statement of Financial Position

Liabilities (In USD Thousand)	31/12/2017 Unaudited	31/12/2016 Audited
Due to Central Banks	1,500,635	346,236
Due to banks & financial institutions and repurchase agreements	383,876	391,912
Due to head office, parent, and sister banks / companies	-	-
Derivative financial instruments	22,811	22,246
Financial liabilities designated at FVTPL	-	-
out of which : Customers' Deposits at FVTPL	-	-
Customers' deposits at Amortised Cost	26,519,664	24,636,701
Related parties deposits at Amortised Cost	122,195	174,123
Debt issued and other borrowed funds	-	-
Engagements by acceptances	100,027	75,285
Other liabilities	540,969	545,334
Provisions for risks and charges	347,256	393,799
Liabilities related to non-current assets held for sale	-	-
Total Liabilities	29,537,433	26,585,636
Shareholders' Equity		
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)	870,831	791,146
Distributable free reserve	398,811	371,382
Treasury shares	(5,621)	(11,238)
Retained earnings	1,009,079	937,485
Reserves for revaluation variance-real estate	9,769	9,769
Fair value for financial assets at FVTOCI	407	365
Foreign currency translation reserve	(272,121)	(283,060)
Non-controlling interests	50,593	48,581
out of which : Profit allocated to non-controlling interests	2,945	14,112
Profit of the financial period - Profit / (Loss)	481,753	448,716
Total Shareholders' Equity	3,005,563	2,932,422
Total Liabilities and Shareholders' Equity	32,542,996	29,518,058

Consolidated Statement of Financial Position

Off Financial Position (In USD Thousand)	31/12/2017 Unaudited	31/12/2016 Audited
Financing commitments		
Financing commitments issued	161,676	94,813
Financing commitments received from financial intermediaries	74,030	33,960
Commitments to lend	293,872	233,132
Guarantees		
Guarantees given to financial intermediaries	130,133	78,892
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	51,057	45,510
out of which: credit derivatives	-	-
Guarantees given to customers	576,054	372,831
Guarantees received from customers	13,672,486	12,310,848
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	2,587,326	2,055,012
Foreign currencies to deliver	2,591,693	2,050,537
Commitments on term financial instruments	338,409	868,255
Other commitments	976,982	47,451
Fiduciary deposits	355,423	134,653
Under specific instructions	355,423	134,653
Under discretionary investments	-	-
Financial assets under management	7,485,800	6,987,562
Mutual Funds	-	-
Financial assets linked to indices and financial derivatives	-	-
Bad loans fully provided for and transferred to off balance sheet during the period	222,324	(16,525)

Consolidated Income Statement

(In USD Thousand)	For the period ended	31/12/2017 Unaudited	31/12/2016 Audited
Interest and similar income		1,846,438	1,693,382
Interest and similar charges		(1,108,798)	(1,002,821)
Net interest income		737,640	690,561
Fees and commission income		174,597	186,642
Fees and commission expense		(37,973)	(36,353)
Net Fees and commission income		136,624	150,289
Net gain (loss) on financial assets & liabilities designated at fair value through profit & loss		25,414	77,804
out of which : Net gain (loss) on Interest Income		3,790	6,389
Net gain (loss) on financial operations		110,324	382,085
Other operating income		15,579	14,197
Total operating income		1,025,581	1,314,936
Credit loss expense		(12,671)	(82,106)
Provisions for impairment losses on other financial investments		202	(23,051)
Net operating income		1,013,112	1,209,779
Personnel charges		(210,729)	(206,998)
General and other operating expenses		(113,009)	(117,617)
Depreciation of tangible fixed assets		(23,483)	(23,723)
Amortization of intangible fixed assets		(1,308)	(2,688)
Provisions for impairment loss of goodwill		(59,516)	(12,879)
Total operating expenses		(408,045)	(363,905)
Net operating profit		605,067	845,874
Provisions for Risks & Charges		-	(173,000)
Loss on Deconsolidation		-	(48,907)
Net profit (loss) from sale or disposal of other assets		(267)	(787)
Net profit before taxes		604,800	623,180
Income tax		(120,102)	(160,352)
Operating profit after tax		484,698	462,828
Net profit after tax from Non-current assets held-for-sale & discontinued operations		-	-
Net profit		484,698	462,828
Attributable to equity holders of the parent		481,753	448,716
Attributable to non-controlling interests		2,945	14,112
EPS (Basic) in USD		2.25	2.12
EPS (Diluted) in USD		2.25	2.12

Financial Results for the year 2017

Consolidated Statement of Financial Position

Assets (In LBP Million)	31/12/2017 Unaudited	31/12/2016 Audited
Cash and balances with the Central Banks	24,622,737	17,991,169
Banks and financial institutions	3,570,997	3,180,661
Due from head office, parent, and sister banks/companies	-	-
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	44,513	60,553
Derivative financial instruments	20,401	53,180
Shares and securities designated at FVTPL	197,840	185,195
Financial assets designated at FVTPL	166,071	201,463
out of which : Loans and advances designated at FVTPL	-	-
Loans and advances to customers designated at Amortised Cost ⁽¹⁾	11,335,724	10,708,390
Loans and advances to related parties designated at Amortised Cost	28,003	91,557
Bank acceptances	150,791	113,492
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	4,146	3,815
Financial assets classified at Amortised Cost	7,856,374	10,994,933
Investment and loans to related parties	-	-
Assets taken in recovery of debt	60,680	49,756
Tangible fixed assets	798,222	703,440
Intangible fixed assets	1,825	2,482
Other assets	198,246	156,436
Goodwill	1,996	1,950
Total Assets	49,058,566	44,498,472

(1) After taking into consideration total provisions amounting to LL million 310,703 and LL million 417,996 as at 31/12/2017 and 31/12/2016 respectively, from total loans and advances to customers according to IAS 39; out of which collective provisions stood at LL million 102,887 and LL million 92,367 as at 31/12/2017 and 31/12/2016 respectively.

Consolidated Statement of Financial Position

Liabilities (In LBP Million)	31/12/2017 Unaudited	31/12/2016 Audited
Due to Central Banks	2,262,208	521,951
Due to banks & financial institutions and repurchase agreements	578,693	590,808
Due to head office, parent, and sister banks / companies	-	-
Derivative financial instruments	34,387	33,536
Financial liabilities designated at FVTPL	-	-
out of which : Customers' Deposits at FVTPL	-	-
Customers' deposits at Amortised Cost	39,978,393	37,139,827
Related parties' deposits at Amortised Cost	184,209	262,490
Debt issued and other borrowed funds	-	-
Engagements by acceptances	150,791	113,492
Other liabilities	815,511	822,089
Provisions for risks and charges	523,488	593,652
Liabilities related to non-current assets held for sale	-	-
Total Liabilities	44,527,680	40,077,845
Shareholders' Equity		
Share capital - Common Shares	322,500	258,000
Share capital - Preferred Shares	-	24,000
Share premium on common shares	374,059	374,059
Share premium on preferred shares	-	277,500
Non distributable reserve (Legal and Obligatory)	1,312,777	1,192,652
Distributable free reserve	601,207	559,859
Treasury shares	(8,473)	(16,941)
Retained earnings	1,521,187	1,413,258
Reserves for revaluation variance-real estate	14,727	14,727
Fair value for financial assets at FVTOCI	614	550
Foreign currency translation reserve	(410,223)	(426,713)
Non-controlling interests	76,269	73,236
out of which : Profit allocated to non-controlling interests	4,439	21,274
Profit of the financial period - Profit / (Loss)	726,242	676,440
Total Shareholders' Equity	4,530,886	4,420,627
Total Liabilities and Shareholders' Equity	49,058,566	44,498,472

Consolidated Statement of Financial Position

Off Financial Position (in LBP Million)	31/12/2017 Unaudited	31/12/2016 Audited
Financing commitments		
Financing commitments issued	243,727	142,930
Financing commitments received from financial intermediaries	111,600	51,194
Commitments to lend	443,012	351,446
Guarantees		
Guarantees given to financial intermediaries	196,175	118,930
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	76,968	68,606
out of which: credit derivatives	-	-
Guarantees given to customers	868,401	562,043
Guarantees received from customers	20,611,273	18,558,604
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	3,900,394	3,097,931
Foreign currencies to deliver	3,906,977	3,091,184
Commitments on term financial instruments	510,152	1,308,895
Other commitments	1,472,800	71,532
Fiduciary deposits	535,800	202,989
Under specific instructions	535,800	202,989
Under discretionary investments	-	-
Financial assets under management	11,284,843	10,533,750
Mutual Funds	-	-
Financial assets linked to indices and financial derivatives	-	-
Bad loans fully provided for and transferred to off balance sheet during the period	335,153	(24,911)

Consolidated Income Statement

(In LBP Million)	For the period ended	31/12/2017 Unaudited	31/12/2016 Audited
Interest and similar income		2,783,505	2,552,773
Interest and similar charges		(1,671,513)	(1,511,752)
Net interest income		1,111,992	1,041,021
Fees and commission income		263,205	281,363
Fees and commission expense		(57,245)	(54,802)
Net Fees and commission income		205,960	226,561
Net gain / (loss) on financial assets & liabilities designated at fair value through profit & loss		38,312	117,289
out of which : Net gain / (loss) on Interest Income		5,713	9,631
Net gain / (loss) on financial operations		166,313	575,993
Other operating income		23,485	21,402
Total operating income		1,546,062	1,982,266
Credit loss expense		(19,101)	(123,775)
out of which : Credit loss for financial instruments at amortized cost		-	-
Provisions for impairment losses on other financial investments		305	(34,749)
Net operating income		1,527,266	1,823,742
Personnel charges		(317,675)	(312,049)
General and other operating expenses		(170,361)	(177,307)
Depreciation of tangible fixed assets		(35,400)	(35,762)
Amortization of intangible fixed assets		(1,972)	(4,052)
Provisions for impairment loss of goodwill		(89,720)	(19,415)
Total operating expenses		(615,128)	(548,585)
Net operating profit		912,138	1,275,157
Provisions for Risks & Charges		-	(260,797)
Loss on Deconsolidation		-	(73,728)
Net profit / (loss) from sale or disposal of other assets		(403)	(1,187)
Net profit before taxes		911,735	939,445
Income tax		(181,054)	(241,731)
Operating profit after tax		730,681	697,714
Net profit after tax from non-current assets held-for-sale and discontinued operations		-	-
Net profit		730,681	697,714
Attributable to equity holders of the parent		726,242	676,440
Attributable to non-controlling interests		4,439	21,274
EPS (Basic) in LBP		3,392	3,190
EPS (Diluted) in LBP		3,392	3,190