

BLOM Bank's Financial Results for the First Half of 2016
Steady Growth and Highest Profitability Ratios

BLOM Bank announced today its unaudited financial results for the first half of 2016. Despite the difficult operating conditions domestically and regionally, BLOM Bank was not deterred from performing at its customary best. Net profit increased to \$226.678 million in the first six months of 2016, higher by 19.08% from the same period in 2015. And this rise in net profit was due largely to higher profits achieved at the Bank's foreign subsidiaries. Equally noteworthy were the Bank's rates of return on average equity (ROAE) and on average assets (ROAA), for ROAE reached 16.62% and ROAA 1.55%, both the highest among listed Lebanese banks.

The bank's strong growth in profitability was also paralleled by steady and balanced growth in its balance sheet aggregates. Assets rose to \$29.502 billion at end of June 2016, up by 3.09% from the same period in 2015; customers' deposits increased to \$25.413 billion, higher by 2.66%; private loans rose to \$7.353 billion, up by 4.73%; and shareholders' equity increased to \$2.720 billion, higher by 7.27%.

It is also a sign of BLOM Bank's strong managerial efficiency and financial standing that these growth and profitability figures were attained while maintaining sound qualitative indicators. These were reflected in the Bank's cost-to-income ratio that stood at 35.88%, the lowest among listed banks; and in the Bank's notable capital adequacy ratio that reached 18%, against a required ratio of 12%; in addition to the Bank's solid ratios of primary liquidity of 65% and coverage of non-performing loans (by specific and collectives provisions and real guarantees) reaching 151%. So, once again, BLOM Bank's financial results show the success and flexibility of its conservative policy and expansion strategy in dealing with the troubled economic and political environment still engulfing Lebanon and the region.

30 September, 2016

Financial Results for the First Half of the Year 2016

Consolidated Statement of Financial Position

Assets (In USD Thousand)	30/6/2016 Unaudited	31/12/2015 Audited
Cash and balances with the Central Banks	9,915,593	9,483,548
Banks and financial institutions	2,380,654	2,795,043
Due from head office, parent, and sister banks/companies	-	-
Granted Financial Loans to Banks and Financial Institutions and reverse repurchase agreements	45,306	42,040
Derivative financial instruments	35,231	27,011
Shares and securities designated at FVTPL	116,945	107,798
Financial assets designated at FVTPL	168,084	287,073
out of which : Loans and advances designated at FVTPL	-	-
Loans and advances to customers designated at Amortised Cost ⁽¹⁾	7,331,709	7,174,598
Loans and advances to related parties designated at Amortised Cost	21,746	21,370
Bank acceptances	86,451	58,941
Shares and securities designated at fair value through other comprehensive income (FVTOCI)	3,688	4,132
Financial assets classified at Amortised Cost	8,727,046	8,508,377
Investment and loans to related parties	-	-
Assets taken in recovery of debt	26,660	25,233
Tangible fixed assets	478,522	427,273
Intangible fixed assets	2,773	3,443
Other assets	133,158	101,513
Goodwill	28,155	31,759
Total Assets	29,501,721	29,099,152

(1) After taking into consideration total provisions amounting to USD 241,165 thousand and USD 239,644 thousand as at 30/6/2016 and 31/12/2015 respectively, from total loans and advances to customers according to IAS 39; out of which collective provisions stood at USD 74,654 thousand and USD 83,023 thousand as at 30/06/2016 and 31/12/2015 respectively.

Consolidated Statement of Financial Position

Liabilities (In USD Thousand)	30/6/2016 Unaudited	31/12/2015 Audited
Due to Central Banks	318,917	305,319
Due to banks & financial institutions and repurchase agreements	235,168	322,848
Due to head office, parent, and sister banks / companies	-	-
Derivative financial instruments	32,584	27,067
Financial liabilities designated at FVTPL	-	-
out of which : Customers' Deposits at FVTPL	-	-
Customers' deposits at Amortised Cost	25,235,571	24,957,729
Related parties' deposits at Amortised Cost	177,149	133,071
Debt issued and other borrowed funds	-	-
Engagements by acceptances	86,451	58,941
Other liabilities	480,182	463,560
Provisions for risks and charges	219,696	109,022
Liabilities related to non-current assets held for sale	-	-
Total Liabilities	26,785,718	26,377,557
Shareholders' Equity		
Share capital - Common Shares	171,144	171,144
Share capital - Preferred Shares	15,920	15,920
Share premium on common shares	248,132	248,132
Share premium on preferred shares	184,080	184,080
Non distributable reserve (Legal and Obligatory)	785,832	704,700
Distributable free reserve	371,341	341,303
Treasury shares	(120,480)	(119,873)
Retained earnings	934,723	835,634
Reserves for revaluation variance-real estate	9,769	9,769
Fair value for financial assets at FVTOCI	282	221
Foreign currency translation reserve	(173,090)	(126,594)
Non-controlling interests	70,748	70,358
out of which : Profit allocated to non-controlling interests	9,076	17,460
Results of the financial period - Profit / (Loss)	217,602	386,801
Total Shareholders' Equity	2,716,003	2,721,595
Total Liabilities and Shareholders' Equity	29,501,721	29,099,152

Consolidated Statement of Financial Position

Off Financial Position (In USD Thousand)	30/6/2016 Unaudited	31/12/2015 Audited
Financing commitments		
Financing commitments issued	80,153	121,294
Financing commitments received from financial intermediaries	38,915	57,386
Commitments to lend	264,478	273,459
Guarantees		
Guarantees given to financial intermediaries	86,903	82,669
out of which: credit derivatives	-	-
Guarantees received from financial intermediaries	43,712	20,561
out of which: credit derivatives	-	-
Guarantees given to customers	456,921	474,854
Guarantees received from customers	12,697,106	12,510,329
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	2,091,491	3,365,397
Foreign currencies to deliver	2,090,876	3,364,634
Commitments on term financial instruments	1,196,458	2,334,133
Other commitments	46,641	34,027
Fiduciary deposits	201,790	107,972
Under specific instructions	201,790	107,972
Under discretionary investments	-	-
Financial assets under management	6,756,933	6,610,651
Mutual Funds	-	-
Financial assets linked to indices and financial derivatives	-	-
Bad debts written off during the period	4,718	29,136

Consolidated Income Statement

(In USD Thousand)	For the period ended	30/6/2016 Unaudited	30/6/2015 Unaudited
Interest and similar income		824,518	751,219
Interest and similar charges		(490,192)	(456,545)
Net interest income		334,326	294,674
Fees and commission income		93,516	87,818
Fees and commission expense		(17,215)	(13,970)
Net Fees and commission income		76,301	73,848
Net gain / (loss) on financial assets & liabilities designated at fair value through profit & loss		44,101	29,685
out of which : Net gain / (loss) on Interest Income		3,275	5,390
Net gain / (loss) on financial operations		16,300	2,514
Other operating income		3,109	4,562
Total operating income		474,137	405,283
Credit loss expense		(19,479)	(6,677)
out of which : Credit loss for financial instruments at amortized cost		-	-
Provisions for impairment losses on other financial investments		(21)	-
Net operating income		454,637	398,606
Personnel charges		(104,657)	(96,649)
General and other operating expenses		(58,541)	(53,971)
Depreciation of tangible fixed assets		(11,709)	(11,653)
Amortization of intangible fixed assets		(1,322)	(988)
Provisions for impairment loss of goodwill		-	-
Total operating expenses		(176,229)	(163,261)
Net operating profit		278,408	235,345
Share of profit of associate		-	-
Net profit / (loss) from sale or disposal of other assets		88	155
Net profit before taxes		278,496	235,500
Income tax		(51,818)	(45,149)
Operating profit after tax		226,678	190,351
Net profit after tax from non-current assets held-for-sale and discontinued operations		-	-
Net profit		226,678	190,351
Attributable to equity holders of the parent		217,602	179,972
Attributable to non-controlling interests		9,076	10,379
EPS (Basic) in USD		1.07	0.86
EPS (Diluted) in USD		1.07	0.86