

22 May 2009



 **BLOM
BANK**^{SAL}
Peace of Mind



Agenda

- 1. Overview**
- 2. Businesses**
- 3. Financial Information**
- 4. Share Performance**
- 5. Summary**



1. Overview



Market Environment

| Commercial Banks | 2008 |
|------------------------------|-------|
| Total Assets (\$B) | 94.3 |
| <i>as % of GDP</i> | 320% |
| Total Private Deposits (\$B) | 77.8 |
| <i>as % of GDP</i> | 264% |
| Total Private Loans (\$B) | 25 |
| <i>as % of GDP</i> | 85% |
| Loans to Deposits Ratio | 32.1% |
| Number of Banks (2008) | 65 |

Source: BdL

Expansion of Lebanese banks abroad

| | UAE | KSA | Qatar | Egypt | Syria | Jordan | Sudan | Europe | Others* | Total |
|--------------------|-----|-----|-------|-------|-------|--------|-------|--------|---------|-------|
| Number of Branches | 8 | 2 | 2 | 55 | 53 | 33 | 14 | 38 | 15 | 220 |

Source: ABL

*others: Algeria, Bahrain, Brazil, Canada, Iraq, Ivory Coast, Libya, Nigeria, Oman.



The Leading Banking Group In Lebanon

❑ Most profitable bank in Lebanon

- Net profit of \$63.3m for Q1-2009;\$251.6m for 2008

❑ One of the largest banks in Lebanon

- Total assets of \$18.5bn for Q1-2009; \$17.9bn for 2008

❑ Universal banking model

- Active in Corporate, Retail, Trade Finance, Private Banking, Investment Banking, Brokerage,Asset Management
Islamic Banking and Insurance.

❑ Well positioned to capture regional growth

- Established a representative office in Abu Dhabi (May 2008)
- Acquired the license to establish BLOM bank Qatar (April 2008)
- Acquired the license to establish an investment bank in Saudi Arabia (January 2008)
- Acquired Misr Romanian bank (“MRB”) in Egypt (December 2005)
- Also present in Jordan (2004), Syria (2004) and UAE (1976)

❑ Wide presence in Europe

- Present in France, UK, Switzerland, Cyprus and Romania

❑ Highest ratings in Lebanon

- The highest national score rating Aa1.Lb from Moody’s
- Rated by Capital Intelligence, a Middle East specialized rating agency, BBB-, which is the highest financial strength rating in Lebanon



The Most Awarded Bank in Lebanon

2009

- ❑ **Best Bank in Lebanon, from Global Finance- March 2009**
- ❑ **Best Bank in Lebanon, from World Finance- January 2009**
- ❑ Best Mutual Fund in Lebanon, from The Banker Middle East-February 2009
- ❑ Best Investment Advisory Service in Lebanon, from The Banker Middle East-February 2009
- ❑ Best Trade Finance Bank in Lebanon, from Global Finance-February 2009
- ❑ Best Foreign Exchange Bank in Lebanon, from Global Finance-March 2009

2008

- ❑ **THE WINNER OF ALL 2008 BEST BANK IN LEBANON INTERNATIONAL AWARDS**
- ❑ **Best Bank in Lebanon, from The Banker-December 2008**
- ❑ **Best Bank in Lebanon, from Euromoney - June 2008**
- ❑ **Best Bank in Lebanon, from Global Finance- May 2008**
- ❑ Best Internet Bank in Lebanon, from Global Finance-August 2008
- ❑ Best Trade Finance Bank in the Middle East,from World Finance-May 2008
- ❑ Best Trade Finance Bank in Lebanon, from Global Finance-February 2008
- ❑ Best Trade Finance Bank in the Middle East, from Banker Middle East-January 2008
- ❑ Best Foreign Exchange Bank in Lebanon, from Global Finance-January 2008



2. Businesses



BLOM BANK's Services

Region

- ❑ BLOM provides Full Banking Services in four key markets in the Middle East (Lebanon, Egypt, Syria, Jordan)
- ❑ BLOM targets Full Banking Services through Trade Finance, Commercial, Retail, Corporate and Private Banking
- ❑ BLOM enjoys competitive advantage over multinational banks in the region due to:
 - Common language and culture
 - Easy to replicate products and procedures
 - Existing Relationships
 - Geographic proximity
- ❑ BLOM received new licenses to operate in:
 - Saudi Arabia for investment banking activities
 - Qatar for commercial and private banking activities

Europe

- ❑ BLOM provides full banking services to a wider range of customers with a special focus on specific products and services to cater the large Arab communities and Lebanese Diaspora.
- ❑ BLOM has developed an extensive presence in Europe to capitalize on the success of its domestic business model and to promote synergies with the regional network through:
 - Its subsidiary BLOM BANK FRANCE present in Paris, London, the UAE (2 Branches & 1 Rep. Office), Geneva (affiliate under the name of BLOM BANK SUISSE) as well as Romania (6 branches)
 - A direct branch in Cyprus
- ❑ BLOM consolidated Romania within BLOM BANK FRANCE as of December 2007.

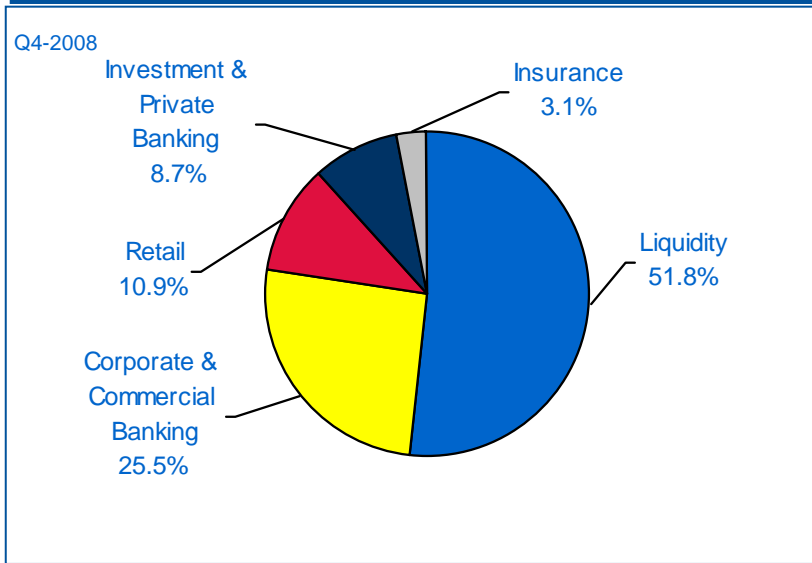


Business Contribution

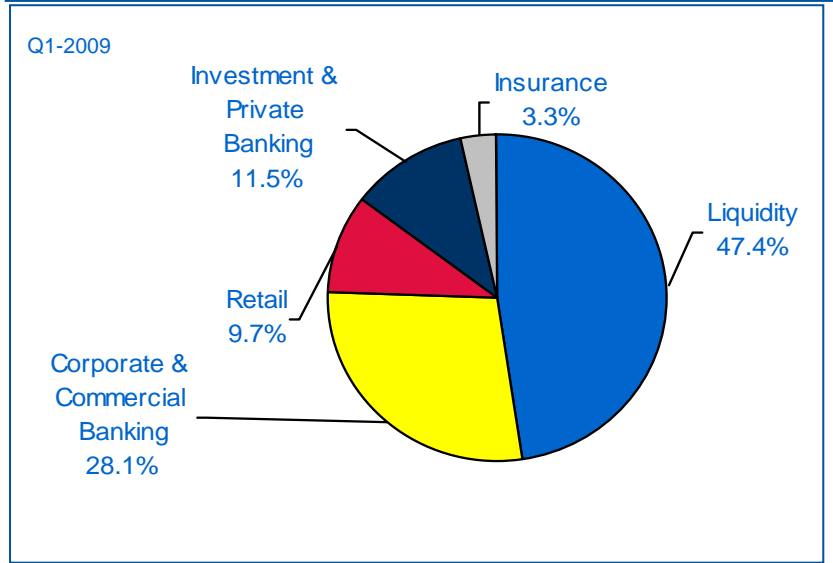
| BLOM Business Lines | | | | | | | | | | |
|---------------------|-----------|---------------|--------|-----------------|--------------------|-----------|-----------------|-----------|------------|----------|
| | Corporate | Trade Finance | Retail | Private Banking | Investment Banking | Brokerage | Islamic Banking | Insurance | Asset Mgmt | Research |
| Lebanon | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Egypt | ✓ | ✓ | ✓ | * | | ✓ | | ✓ | | |
| Syria | ✓ | ✓ | ✓ | | | ✓ | | ✓ | | |
| Jordan | ✓ | ✓ | ✓ | | | | | | | |
| UAE | ✓ | ✓ | | | | | | | | |
| Saudi Arabia | | | | * | * | * | | | * | |
| Qatar | * | | | * | | | | | | |
| Europe | ✓ | ✓ | | ✓ | | | | | | |

✓ : available business lines
* : to be available soon

Breakdown of Operating Income



Breakdown of Operating Income



BLOM is gradually diversifying revenues and activities, and is moving in the right direction in terms of becoming a universal bank.



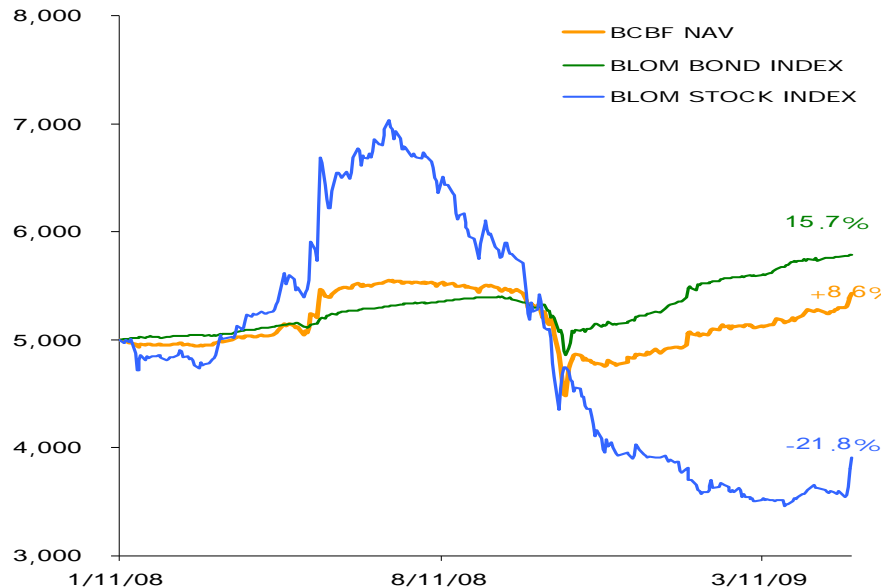
BLOM Funds

BLOM CEDARS Balanced Fund

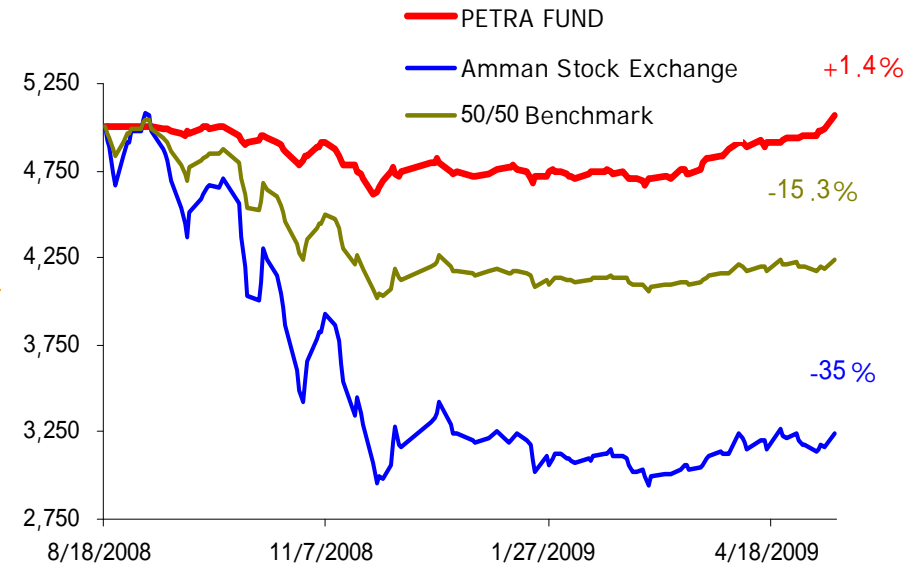
- ❑ Launch Date: 11/01/2008
- ❑ Value at Launch: \$ 5000
- ❑ Fund Size at launch: \$ 65.2 M
- ❑ Fund Size as at 23/04/2009: \$65.6 M
- ❑ YTD: 6.73%
- ❑ Yield in 2008: -1.7%
- ❑ Asset Allocation
 - ✓ Maximum 25% Lebanese Equities
 - ✓ Minimum 75% Lebanese Fixed-Income instrument

BLOM PETRA Balanced Fund

- ❑ Launch Date: 18/08/2008
- ❑ Value at Launch by Classes:
 - A-Jordanian Dinar: JD 3000
 - B- USD:\$5000
- ❑ Fund Size at Launch: \$40.7M
- ❑ Fund Size as at 23/04/2009:\$34M
- ❑ YTD: 4.65%
- ❑ Yield in 2008: -5.59%
- ❑ Asset Allocation: Minimum 50% Fixed-Income
Maximum 50% Equity.



Source: Company Data



Source: Company Data

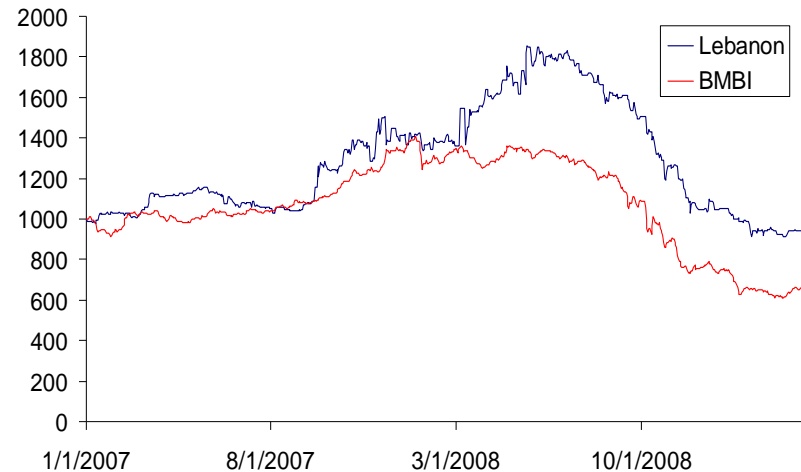


BLOM MENA Banking Index

Blom Mena Banking Index (BMBI)

The bank launched in Q1-2009 the Blom Mena Banking Index that:

- Tracks all of the listed commercial banks across 11 Arab countries in the GCC & MENA.
- Has 103 stocks that might vary as companies get listed or delisted.
- Is Market capitalization-weighted and is not free-float adjusted.



BLOM Bank Egypt Fund

- Launch Date: 03/05/2009
- Base Currency: Egyptian Pounds(LE)
- Fund type:Open Ended Growth Fund
- Nominal Value :LE 100
- Fund Size at Launch: LE 100M(Subject to increase).
- Fund Objective:To increase the value of investments (Capital Gain),while generating a stream of dividends.

Products under Development

The bank will be launching during the course of 2009 the following funds:

- A fixed Income Fund in USD providing periodic distribution stream for investors.
- A Saudi Arabia Balanced Fund.
- A Regional Sectorial Fund on Financials

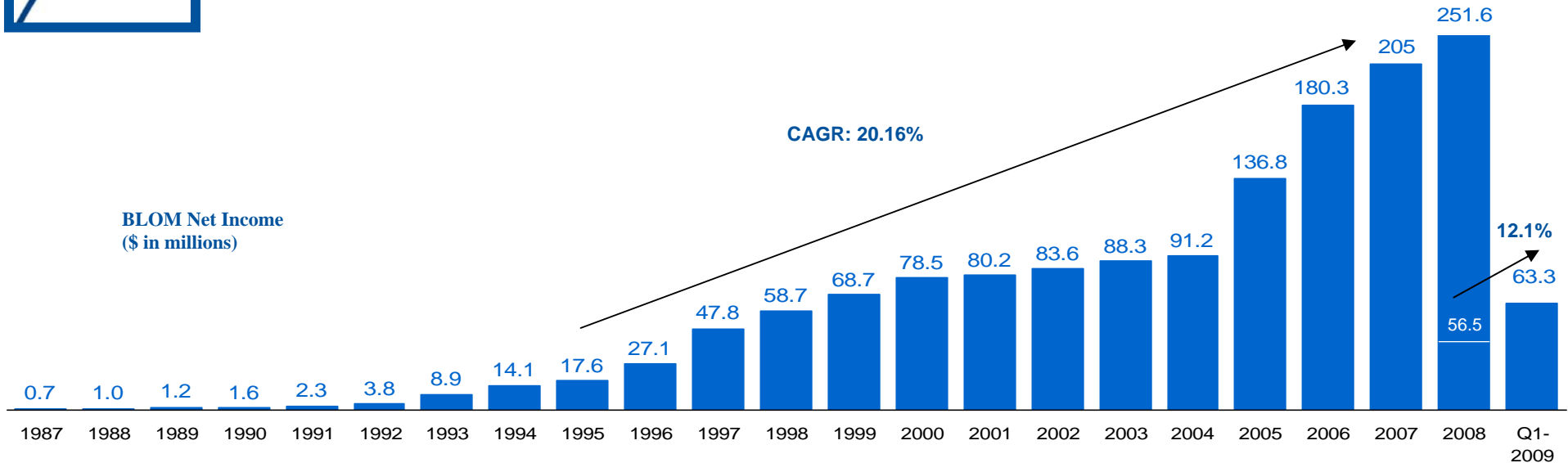


3. Financial Information



Proven, Profitable Track Record

BLOM has successfully delivered consistent annual net income increases



| BLOM Q1-09/Q4-08 | |
|-------------------|---------|
| Assets (growth) | 3.63% |
| Deposits (growth) | 4.63% |
| Loans-To Deposits | 22.1% |
| Income (growth) | 12.14%* |
| ROA | 1.39% |
| ROE | 18.21% |
| Cost-To-Income | 38.06% |

Source: Company Data *Q1-09/Q1-08



Across the Board Profitable Performance

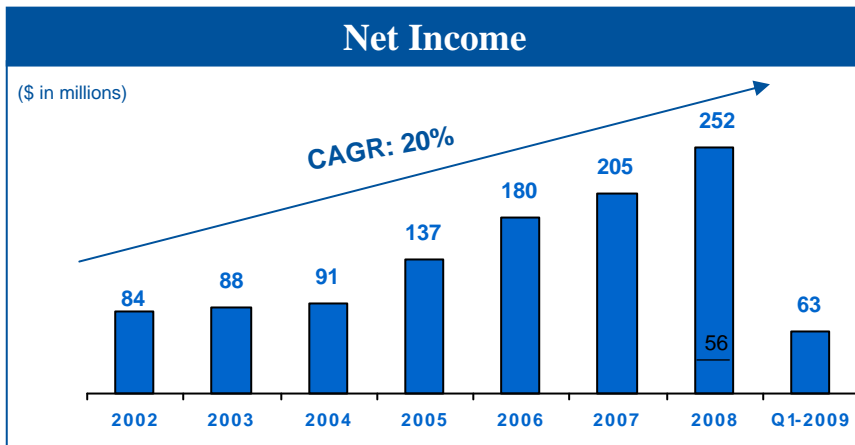
| | Lebanon | Egypt | Syria | Jordan | UAE | Europe |
|---------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| 2008 | | | | | | |
| Income (\$m) | 177.12 | 21.24 | 15.65 | 5.27 | 11.56 | 18.96 |
| Change 08/07 | 14.8% | 9.3% | 186.1% | 52.3% | 17.5% | 57.1% |
| ROE | 21.18% | 15.72% | 14.35% | 10.34% | 17.41% | 4.85% |
| ROA | 2.01% | 1.85% | 1.06% | 1.37% | 1.85% | 0.65% |

Source: Company Data

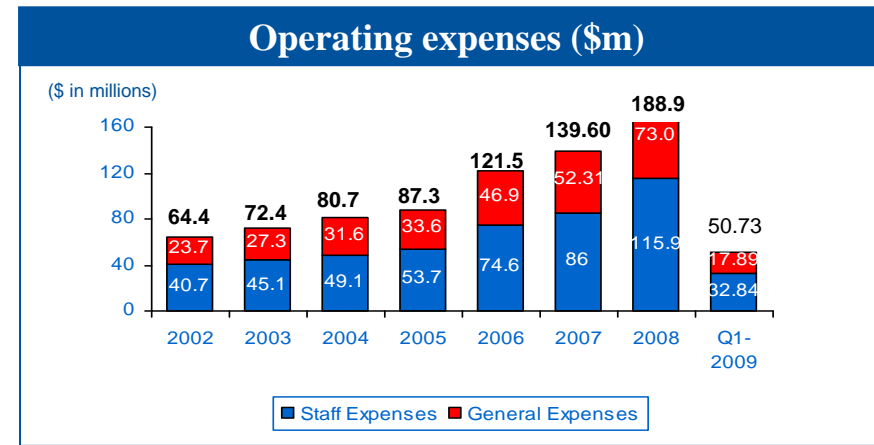


High Profitability Supported by Cost Efficiency

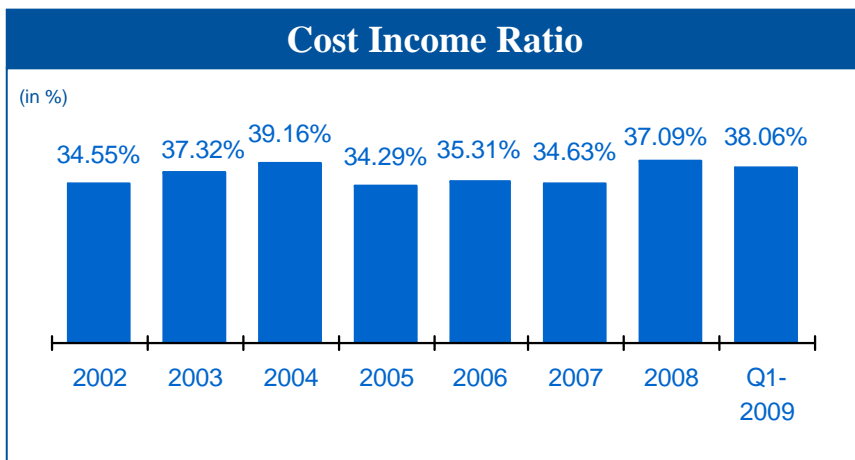
BLOM BANK is containing a low cost-to-income ratio due to an organic and gradual growth



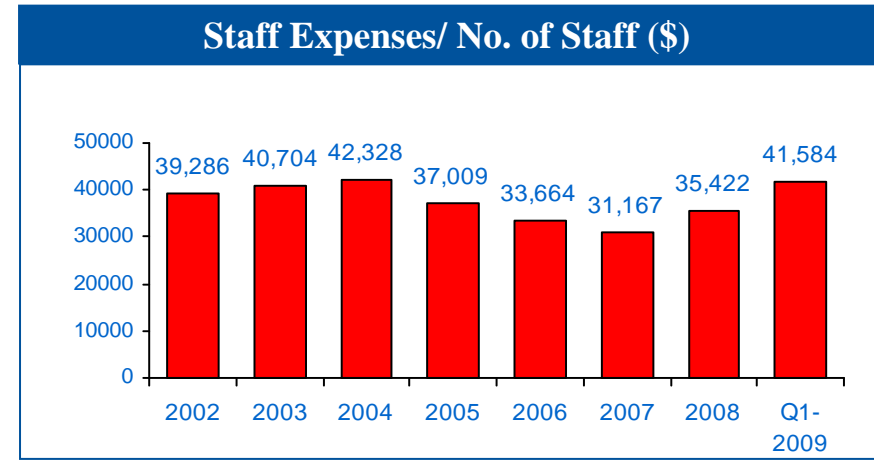
Source: Company Data



Source: Company Data



Source: Company Data

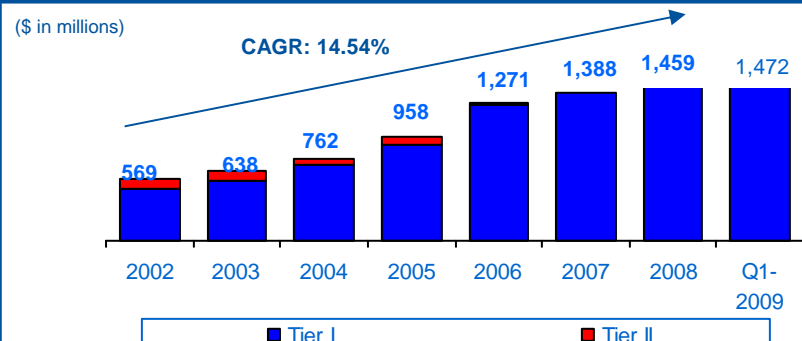


Source: Company Data



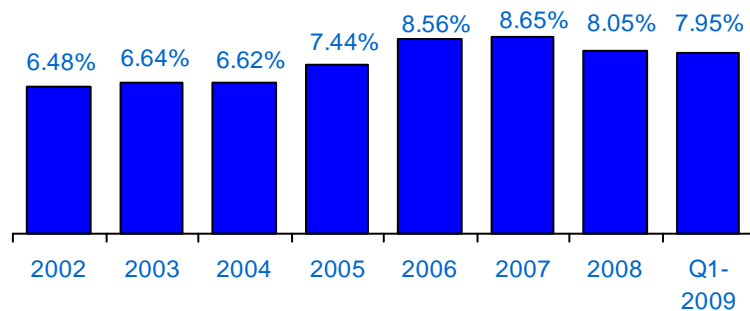
Capital Position

Tier I & Tier II Capital



Source: Company Data

Shareholders' Equity Ratio



Source: Company Data

Note: Shareholders' equity ratio calculated as average equity/average assets

Shareholders' Equity by Book Value

| (\$m) | Q1-2009 | 2008 | 2007 |
|---|--------------|--------------|--------------|
| Total Shareholders Equity | 1,472 | 1,459 | 1,388 |
| Less: | | | |
| Preferred Shares | 175 | 175 | 250 |
| Minority Interests | 85 | 84 | 59 |
| Tier II | 15 | 13 | 19 |
| Dividends on Common Shares | 0 | 0 | - |
| Dividends on Preferred Shares | 16 | 16 | 27 |
| Shareholders Equity for Book Value Calculation | 1,181 | 1,171 | 1,033 |

Capital Analysis

Capital Adequacy Ratio

| | 2007 | 2008 |
|-----------------|--------|----------|
| Under Basel I | 29.05% | 28% |
| Under Basel II* | 13.02% | 12.14%** |

*Based on the strict application of Basel II standardized approach

**Estimated awaiting Banking Control Commission(BCC)directives for 2008 send through Quantitative Impact Study (QIS)

Source: Company Data. Note: Under Basel II Capital Adequacy calculations:

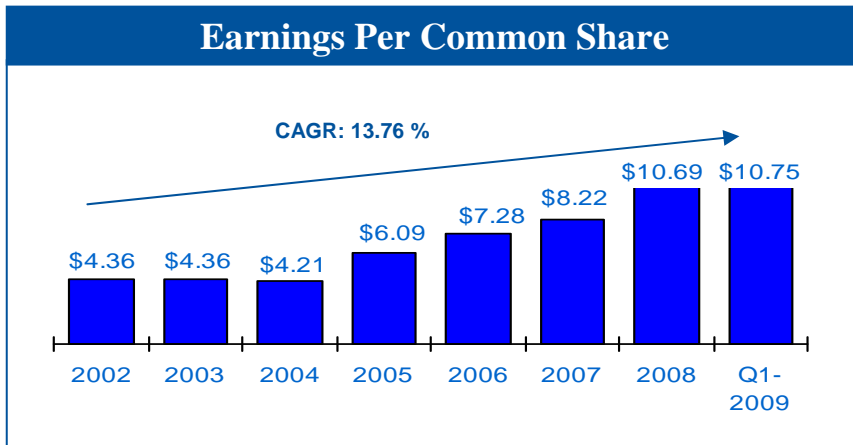
- Credit risk calculated according to standardised measures
- Operational risk calculated according to basic indicator approach
- Market risk calculated according to standardised measures



Dividend Policy

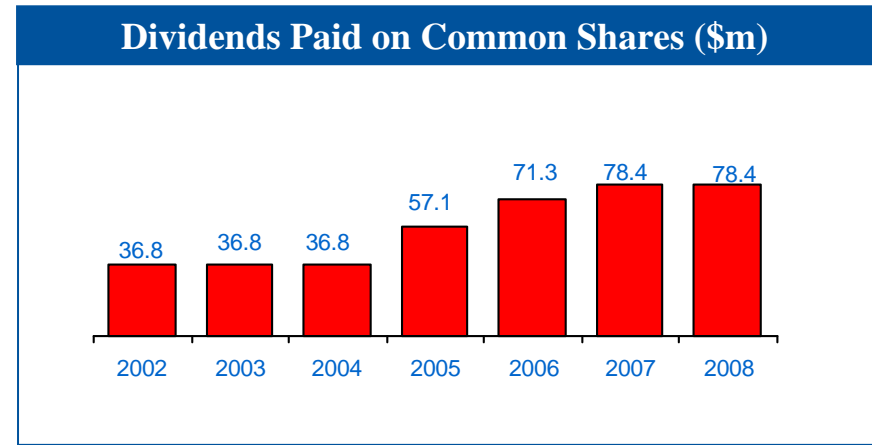
Increasing Trend of Dividend Payments on all share classes

Earnings Per Common Share



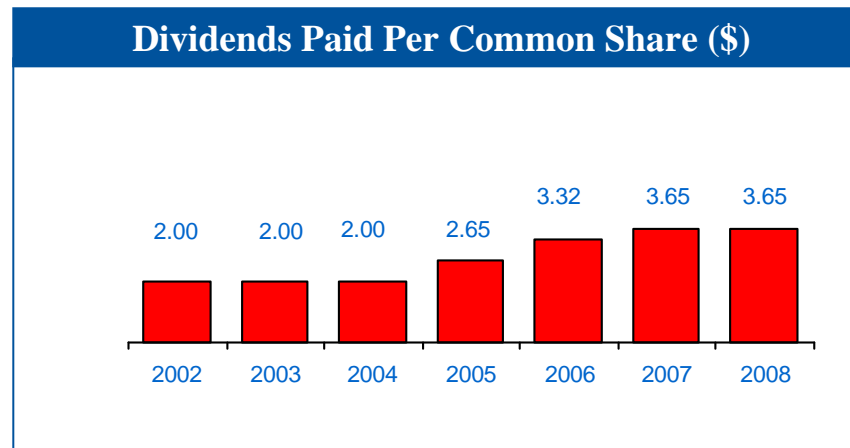
Source: Company Data, Note: Adjusted EPS= (Net Income – Preferred Shares Payments) / Weighted Average Number of common shares)

Dividends Paid on Common Shares (\$m)



Source: Company Data

Dividends Paid Per Common Share (\$)



Source: Company Data



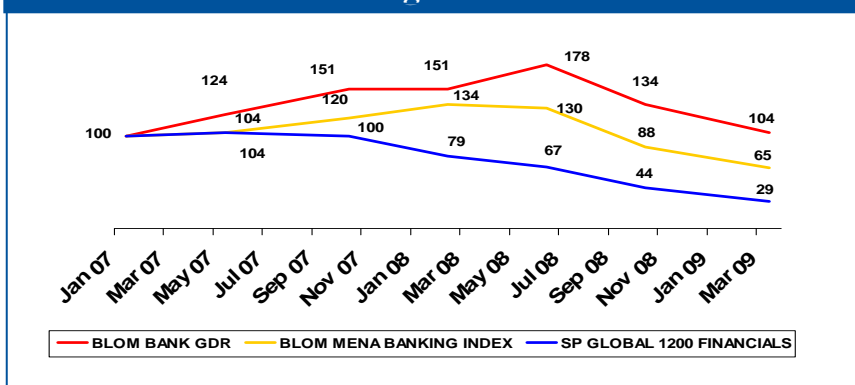
4. Share Performance



Key Valuation Features

The GDR price reflects a significant long-term improvement in growth, profitability and risk

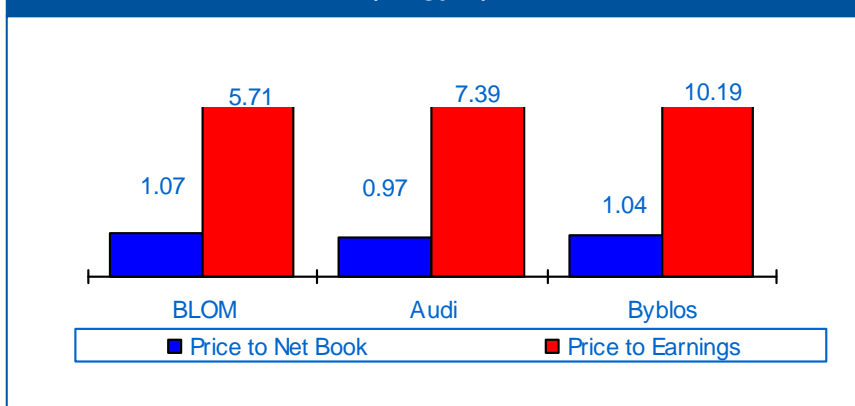
BLOM's GDR versus Regional & International Index



Source: BLOMINVEST Asset Management Department,

N.B : January 2007 BLM GDR price, BLOM Mena Banking Index & SP Global 1200 Financials=100

P/B & P/E



Source: Company Data

Prices: BLOM GDR (\$61.4) AUDI GDR (\$46.13), Byblos (\$1.04) prices as of April 28th, 2008 and based on Q1-2009 results

Regional Comparative Ratios

| Banks | P/E | P/BV | EPS Growth |
|---------------------|------|------|------------|
| BLOM | 5.71 | 1.07 | 20.2 |
| MENA | 10 | 1.5 | 6.4 |
| Lebanon | 8 | 1.0 | 20 |
| Saudi Arabia | 15.9 | 2.5 | -3.8 |
| UAE | 7.2 | 1.1 | -30 |
| Kuwait | 12.4 | 1.1 | -34 |
| Jordan | 9.3 | 1.3 | 8.4 |
| Qatar | 8.7 | 1.7 | 4.1 |
| Egypt | 6.5 | 1.4 | 24.7 |

Source: Company Data, Bloomberg



5. Summary



Investment Highlights

Leading bank in Lebanon

Significant regional presence

Growth from lending activities, fee-based activities and regional expansion

Strong track record of profitability

Strong management team to execute realistic strategy