

**Excerpts from the Minutes of meeting
of BLOM BANK's Board of Directors**

Held on July 13th, 2017

On Thursday, July 13, 2017 at 10:00 am, BLOM BANK S.A.L. Board of Directors held a meeting at the Bank's Headquarters in Verdun, Rashid Karamah Street, BLOM BANK Building, following a convocation by the Chairman.

The meeting was attended by Mr. Saad Azhari - Chairman of the Board and General Manager, Mr. Amr Azhari, Mr. Nicolas Saade, Mr. Marwan Jaroudi, Mr. Saeb Al Zein, Dr. Fadi Osseiran, Me. Antoine Merheb, Dr. Jassim Al Mannai, Mr. Ahmad Shaker, Mr. Mohammad Rashad Rabah and Mr. Emile Kharrat.

The meeting was also attended by Dr. Naaman Azhari, Chairman of BLOM BANK Group.

Dr. Amine Awad, General Manager and Mr. Elias Aractingi, General Manager were also present during this meeting.

The meeting was presided over by Mr. Saad Azhari, Chairman and General Manager of BLOM BANK while Lawyer Me. Aimée Sayegh acted as Secretary.

The President declared that the meeting was deemed duly held.

The attendees agreed on the validity of the meeting and waived any right or claim resulting, or which will result, from the notice convening the shareholders' meeting, or from any other form-related matter.

The President reminded the attendees that the meeting's agenda included the following:

- 1- The latest updates on the Bank's work.
- 2- Looking into the details of the acquisition of HSBC Bank Middle East Limited – Lebanon and the expected benefits.
- 3- Discussing the Bank's future strategy after the acquisition of HSBC Bank Middle East Limited – Lebanon and setting priorities for upcoming projects in terms of opening new branches and using alternative technology.
- 4- Listening to the reports of the Board of Directors and the auditors on the execution of the operation of redeeming and cancelling Series 2011 Preferred Shares as well as increasing the Bank's capital.
- 5- Verifying the accuracy of issuing the complete amount of the Bank's capital increase decided by the Extraordinary General Assembly held on April 28, 2017 and ratifying this capital increase.

- 6- Ensuring the accuracy of the execution of redeeming and cancelling Series 2011 Preferred Shares.
- 7- Adopting the amended article 6 in the Articles of Association.
- 8- Deciding on the amendments applied to the Compliance Charter issued on March 2017.
- 9- Study the report on the cost of building the Headquarters in Solidere.
- 10- Looking into buying an estate in Jordan to build a solar energy station that caters to the energy needs of the Bank's branches in Jordan and deciding upon it.
- 11- Listening to the report on the investments conducted by the Bank in virtue of the Intermediate Circular number 331 by Banque du Liban, dated August 22, 2013.
- 12- Looking into the documents that set a ceiling for deals conducted with certain Lebanese and foreign banks and deciding upon it.
- 13- Viewing the report of "Group Customer Advocacy" at BLOM BANK in Lebanon".
- 14- Deciding on the Bank joining IFC- Global Trade Finance Program.
- 15- Deciding on opening a new account for the Bank at STANDARD CHARTERED BANK LONDON.
- 16- Viewing the amendments applied to the Risk Policy for Loans and Procedures at BLOM BANK S.A.L. and deciding upon it.
- 17- Viewing the amendments applied to the Risk Policy for Loans and Procedures for Cyprus Branch and deciding upon it.
- 18- Viewing the amendments applied on to the Management Committees in the Bank and deciding upon it.
- 19- Viewing the schedules presented by the different Credit Committees, the Retail Loans Committees and Investment and Treasury Committee in the Bank.
- 20- Hearing the report of Head of the Board Audit Committee on the Committee's meeting on 13/7/2017.
- 21- Setting the next Board of Director's meeting.
- 22- Other issues.

The President placed the following documents at the disposal of the shareholders:

- 1- A copy of Banque du Liban's letter number 280/m m/3 dated April 13, 2017 which includes the approval of the Central Council on redeeming Series 2011 Preferred Shares.
- 2- A copy of the minutes of the Extraordinary General Assembly meeting held on April, 28, 2017.
- 3- Photocopies of the announcements published in the newspapers about the date of payment of Series 2011 Preferred Shares redeemed to their owners through Midclear Company.
- 4- Board of Director's report.
- 5- Audit's report by Mr. Nicolas Barakat, and Ernst and Young.

The President recited the Board of Directors' report on implementing the capital increase and redeeming Series 2011 Preferred Shares by virtue of the decisions of the Extraordinary General Assembly held on April 28, 2017.

The auditors' report on implementing the capital increase and redeeming Series 2011 Preferred Shares was also recited by virtue of the decisions of the aforementioned Extraordinary General Assembly.

The President reminded the attendees of the decision taken by the shareholders' Extraordinary General Assembly held on April 28, 2017 which granted the Board of Directors with the necessary authority to ensure the accuracy of the operation of redeeming and cancelling Series 2011 Preferred Shares as well as ensuring the issuance of the entire amount of the capital increase decided by the Assembly, confirming the authenticity of the capital increase operation and announcing that the Bank's capital amounts now to LBP 322.500.000.000.

The President pointed out that an announcement has been published in the following newspapers about setting a date to pay for Series 2011 Preferred Shares through Midclear Company to its owners.

- An Nahar Newspaper issue number 26283 dated to 7/6/2017.
- Ad Diyar Newspaper issue number 10098 dated to 7/6/2017.
- Al Akhbar Newspaper issue number 3194 dated to 7/6/2017.

After further deliberations about all the above mentioned topics, the Board of Directors took the following decisions unanimously:

First: ... Second: ... Third: ...

Fourth: Listening to the reports of the Board of Directors and the auditors on the execution of the operation of redeeming and cancelling Series 2011 Preferred Shares as well as increasing the Bank's capital.

The Directors listened to the report of both the Board and the auditors who confirmed that the Bank's capital has been increased from LBP 258.000.000.000 to LBP 322.500.000.000; with an augmentation of LBP 64.500.000.000 issued from the reserve account dedicated for capital increase simultaneously with redeeming and cancelling all Series 2011 Preferred Shares. Both reports confirmed that this increase was executed in accordance with the decisions of Extraordinary General Assembly meeting held on April, 28, 2017 and that BLOM BANK's capital has become LBP 322.500.000.000 split into 215.000.000 ordinary shares each amounting to LBP 1.500.

Fifth: Ensuring the accuracy of the execution of redeeming and cancelling Series 2011 Preferred Shares.

After ensuring the Bank settled the complete amount of the redeemed Series 2011 Preferred Shares to their owners on June 7, 2017; the Board of Directors unanimously

decided to ratify the authenticity of the operation of redeeming all Series 2011 Preferred Shares issued by the Bank in the aim of cancelling them, which was executed in accordance with the decisions of the shareholders Extraordinary General Assembly meeting held on April, 28, 2017.

Sixth: Verifying the accuracy of issuing the complete amount of the Bank's capital increase decided by the Extraordinary General Assembly held on April 28, 2017 and ratifying this capital increase.

After insuring the redemption and cancellation of all issued Series 2011 Preferred Shares amounting to 20 million shares and substituting the total nominal value of Series 2011 shares amounting to LBP 24 billion by transferring an equal amount and increasing the Bank's capital to avoid fractions; the Board of Directors unanimously decided to ratify the authenticity of the Bank's capital increase which took place simultaneously with the redemption and cancellation of all Series 2011 Preferred Shares by transferring an amount of LBP 64.500.000.000 from the reserve account dedicated for the increase of capital into the capital account. To avoid fractions, the Bank's Capital has been increased to LBP 322.500.000.000 thus the nominal value of a regular share for the Bank, after the cancellation and the increase of the capital, is LBP 1500 (one thousand five hundred Lebanese Pounds).

Seventh: Adopting amended article 6 in the Articles of Association.

After verifying the increase of the Bank's capital as well as the redemption and cancellation of Series 2011 Preferred Shares in accordance with the decisions of the shareholders Extraordinary General Assembly meeting held on April, 28, 2017; the Board of Directors unanimously decided to adopt the amended text of Article 6 of the Articles of Association as per the amended text mentioned in the minutes of the aforementioned Extraordinary General Assembly meeting as follows:

Article 6 (amended text):

Article 6:

- 1- The capital of the Company is determined at LBP /322,500,000,000/ (Three Hundred, Twenty Two Billion and Five Hundred Million Lebanese Pounds) divided into 215,000,000 nominal shares (Two Hundred and Fifteen Million shares); the value of each share is One Thousand and Five Hundred Lebanese Pounds totally released.

All these shares shall be nominal, totally and not partially subject in its nature to public subscription and to trading in the Organized Financial Markets.

The shares constituting the capital of the Company are of one category which is the category of the Ordinary shares equivalent to 215,000,000

shares (Two Hundred and Fifteen Million shares) open for trading in the Organized Financial Markets.

The share trading in the Organized Financial Markets shall be free and shall not be bound by any regular restraints.

- 2- The trade in the shares of the Company shall be made without any legal restraints, except for what is mentioned in the two articles /89/ and /147/ of the Code of Land Commerce and in article /4/ of the Law number /308/ issued on April 3rd, 2001, pertaining to the issuance and trade of the bank shares and stipulating that the subscription with the bank shares and assigning the same shall be subject to a prior authorization delivered by the Central Council of Banque du Liban (Central Bank) in the following cases:
 - a. If this leads for the acquiring of the subscriber or the assignee, directly or through a fiduciary deed in accordance with the provisions of Law number /520/ dated June 6, 1996, of more than 5% (Five percent) of the total Bank shares or of the vote rights appropriate to the said shares, whichever is bigger.
 - b. If the assignee owns, when the assignment was made, 5% (five percent) or more of the total Bank shares or of the vote rights appropriate to the said shares, whichever is bigger.

The contribution of the spouse, the minor children and any economic groups (as per the definition stipulated in the regulations issued by Banque du Liban (Central Bank)) is calculated within the 5% (Five percent) aforementioned in the two clauses (a) and (b)
 - c. If the assigner or assignee is one of the members of the present or elected Board of Directors, disregarding the number of the assigned shares.
- 3- In addition to what was stated in the clause (2) hereinabove, the trade of the shares which are open for trading in the Organized Financial Markets, is subject to the provisions of clause (d) of article (7) of the Fundamental Decision number 7814 dated May 11, 2001 and its modifications.
- 4- Is not considered as an assignment in the concept of clause (2) above, the transfer of shares through inheritance or will and is excluded also from the authorization the shareholders' subscription, in an irreducible way, and where needed in a reducible way per the shares issued as a result of any increase of the Capital.

Eighth: ... Ninth: ... Tenth: ... Eleventh: ... Twelfth: ... Thirteenth: ...
Fourteenth: ... Fifteenth: ... Sixteenth: ... Seventeenth: ... Eighteenth: ...
Nineteenth: ... Twentieth: ...

No other issue being listed in the Agenda and since nobody took the floor, the meeting was closed at 12:00 p.m., on the same day. The minutes were drawn up and signed by.

The Secretary

The Members

The President

Signature

Signature

Signature