

2017

# Bank Audi

## consolidated activity highlights

IN LEBANESE POUNDS

AT END-DECEMBER 2017

### AMONG THE TOP REGIONAL BANKING GROUPS

LBP 65,956 billion in total  
assets as at 31/12/2017

### Consolidated Activity Highlights as at End-December 2017

- LBP 50,428 billion of total customers' deposits
- LBP 24,563 billion of total loans to customers
- LBP 6,313 billion of total shareholders' equity
- LBP 843 billion of net profits in 2017, and LBP 699 billion excluding net profits from discontinued operations, of which 45% from entities outside Lebanon

### Main Financial Indicators

- 63.3% of primary liquidity to customers' deposits ratio
- 16.9% of capital adequacy ratio as per Basel III, of which 10.5% of Common Equity Tier 1 ratio
- 3.5% of gross doubtful loans to gross loans ratio, covered up to 107% by specific provisions and real guarantees
- LBP 663 billion of collective provisions, exceeding the requirements of IFRS 9, in addition to the above specific provisions
- 13.4% of return on average common equity excluding net profits from discontinued operations, rising to 16.4% when including those profits

A UNIVERSAL AND INNOVATIVE BANKING OFFERING CATERING TO 1.2 MILLION CUSTOMERS  
SERVED THROUGH 204 BRANCHES AND 6500 EMPLOYEES IN 11 COUNTRIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	31/12/2017 LBP Million	31/12/2016 LBP Million
<b>ASSETS</b>		
Cash and balances with central banks	19,846,859	18,650,596
Due from banks and financial institutions	1,454,753	3,027,228
Loans to banks and financial institutions and reverse repurchase agreements	1,208,536	2,068,815
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	398,084	390,138
Shares and participations at fair value through profit and loss	61,030	73,621
Debt instruments and other similar financial assets at fair value through profit and loss	1,434,420	619,593
Of which: net loans and advances at fair value through profit and loss	47,658	21,898
Net loans and advances to customers at amortised cost <sup>(1)</sup>	24,400,781	25,732,247
Net loans and advances to related parties at amortised cost <sup>(2)</sup>	161,814	219,193
Debtors by acceptances	226,896	199,156
Debt instruments classified at amortised cost <sup>(3)</sup>	14,822,345	13,990,070
Shares and participations at fair value through other comprehensive income	158,027	193,948
Investments in associates	134,457	13,333
Assets taken in settlement of debts	144,058	81,027
Property and equipment	884,400	881,501
Intangible fixed assets	76,243	64,621
Non-current assets held for sale	-	-
Other assets	500,481	485,295
Goodwill	42,713	41,827
<b>TOTAL ASSETS</b>	<b>65,955,897</b>	<b>66,732,209</b>

<sup>(1)</sup> After deduction of provisions amounting to LBP 1,130 billion from loans and advances to customers as per IAS 39, of which LBP 663 billion representing provisions on collective assessment.

<sup>(2)</sup> Loans granted to related parties against cash collateral amounted to LBP 114 billion.

<sup>(3)</sup> Includes an amount of LBP 755 billion with risk ceded to customers.

	31/12/2017 LBP Million	31/12/2016 LBP Million
<b>OFF-BALANCE SHEET</b>		
<b>Financing commitments</b>		
- Financing commitments given to banks and financial institutions	752,363	649,916
- Financing commitments given to customers	5,189,116	4,799,560
<b>Bank guarantees</b>		
- Guarantees given to banks and financial institutions	222,747	273,923
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	1,234,621	2,043,361
Of which: credit derivatives	-	-
- Guarantees given to customers	2,257,714	2,512,013
- Guarantees received from customers	36,647,730	35,670,089
<b>Financial notes commitments</b>		
- Financial notes commitments to be received	-	-
Of which: financial instruments sold with a buy back option	-	-
- Financial notes commitments to be delivered	-	-
Of which: financial instruments purchased with a buy back option	-	-
<b>Foreign currencies forwards</b>		
- Foreign currencies to receive	11,157,347	10,251,741
- Foreign currencies to deliver	11,173,412	10,327,110
<b>Commitments on term financial instruments</b>	9,222,017	12,686,455
<b>Other commitments</b>		
<b>Claims from legal cases</b>		
<b>Fiduciary accounts</b>	2,944,813	3,407,836
- Under specific instructions	2,919,307	3,307,051
- Under discretionary investments	25,506	100,785
<b>Assets under management</b>	13,419,937	12,659,104
<b>Mutual funds</b>	73,892	260,859
<b>Structured financial products</b>		
<b>Engagement unlikely to be executed</b>		
<b>Bad debts written off during the year</b>	4,968	183,991

	31/12/2017 LBP Million	31/12/2016 LBP Million
<b>LIABILITIES</b>		
Due to central banks	3,349,296	2,008,163
Due to banks and financial institutions and repurchase agreement	3,467,297	2,574,005
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	205,384	272,952
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	49,677,857	53,389,218
Deposits from related parties	750,222	813,548
Debt issued and other borrowed funds	-	-
Engagements by acceptances	226,896	199,156
Other liabilities	588,685	769,582
Provisions for risks and charges	141,731	156,592
Subordinated loans and similar debts	1,235,268	973,535
Non-current liabilities held for sale	-	-
<b>TOTAL LIABILITIES</b>	<b>59,642,636</b>	<b>61,156,751</b>
<b>Shareholders' Equity - Group share</b>		
Share capital - Common shares	664,783	661,985
Share capital - Preferred shares	12,473	10,350
Issue premium - Common shares	883,582	883,582
Issue premium - Preferred shares	1,118,153	931,837
Subsidiary shares warrants	12,629	12,629
Share capital and cash contribution to capital	72,586	72,586
Non-distributable reserves	1,544,754	1,456,141
Distributable reserves	430,592	624,501
Treasury shares	(94,532)	(94,026)
Retained earnings	1,424,165	875,244
Proposed dividends	-	-
Revaluation reserve of real estate	357,137	358,713
Reserve on revaluation of financial assets at fair value through other comprehensive income	878	32,154
Remeasurement actuarial (gain)/Loss on defined benefit plan	(12,806)	(4,254)
Share of associates' other comprehensive income under equity method	4,546	4,546
Foreign currency translation reserve	(1,277,777)	(1,206,264)
Net (loss) gain on hedge of net investments in foreign entities	(11,723)	(57,713)
Result of the period	811,218	672,095
<b>Shareholders' equity - Group share</b>	<b>5,940,658</b>	<b>5,234,106</b>
<b>Non-controlling interest</b>	<b>372,603</b>	<b>341,352</b>
<b>Total shareholders' equity</b>	<b>6,313,261</b>	<b>5,575,458</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>65,955,897</b>	<b>66,732,209</b>



# CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	2017 LBP Million	2016 LBP Million
Interest and similar income	4,257,468	3,867,438
Interest and similar expense	(2,655,435)	(2,331,623)
<b>Net interest margin</b>	<b>1,602,033</b>	<b>1,535,815</b>
Fee and commission income	441,600	1,441,911
Fee and commission expense	(75,793)	(106,760)
<b>Net fee and commission income</b>	<b>365,807</b>	<b>1,335,151</b>
Net gain on financial assets or liabilities at fair value through profit and loss	99,182	396,931
Of which: interest income	80,892	53,704
Net gain on financial investments	41,561	225,652
Other operating income	163,918	46,579
<b>Total operating income</b>	<b>2,272,501</b>	<b>3,540,128</b>
Net provisions for credit losses	(221,335)	(665,384)
<b>Net operating income</b>	<b>2,051,166</b>	<b>2,874,744</b>
Personnel expenses	(627,553)	(733,910)
Other operating expenses	(436,062)	(490,546)
Depreciation of property and equipment	(74,397)	(77,802)
Amortisation of intangible assets	(22,968)	(30,913)
Impairment on goodwill and investments	-	(193,660)
<b>Total of operating expenses</b>	<b>(1,160,980)</b>	<b>(1,526,831)</b>
<b>Operating profit</b>	<b>890,186</b>	<b>1,347,913</b>
Share of profit of associates under equity method	3,047	1,090
Net gain (loss) on disposal of other asset	734	(23,188)
<b>Profit before tax</b>	<b>893,967</b>	<b>1,325,815</b>
Income tax	(194,737)	(351,618)
<b>Profit after tax</b>	<b>699,230</b>	<b>974,197</b>
Result of discontinued operations, net of tax	143,394	(265,512)
<b>Profit for the period</b>	<b>842,624</b>	<b>708,685</b>
<b>Minority share profit for the period</b>	<b>31,406</b>	<b>36,590</b>
<b>Group share profit for the period</b>	<b>811,218</b>	<b>672,095</b>
Basic earnings per share LBP	1,919	1,572

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- AUDI CAPITAL (KSA) cjsc
- BANK AUDI LLC (Qatar)
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