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**AMONG TOP REGIONAL
BANKING GROUPS**

LBP 66,926 billion in total
assets as at 31/12/2016

Bank Audi

**consolidated
activity highlights**

IN LEBANESE POUNDS

AT END-DECEMBER 2016

Diversified Growth of Assets and Net Profits

- LBP 54,203 billion of total customers' deposits
- LBP 26,145 billion of total loans to customers
- LBP 5,711 billion of total shareholders' equity
- LBP 709 billion of net profits in 2016, growing by 17% relative to 2015

Resilient Asset Mix

- 60.5% of primary liquidity to customers' deposits ratio
- 15.3% of capital adequacy ratio as per Basel III, of which 9.5% of Common Equity Tier 1 ratio
- 2.4% only of gross doubtful loans to gross loans ratio, covered up to 102% by specific provisions and real guarantees
- Collective provisions reached LBP 437 billion, corresponding to 2% of risk-weighted loans
- 14.7% of return on average common equity, with LBP 1,628 earnings per common share and LBP 11,310 common book value per share

A UNIVERSAL AND INNOVATIVE BANKING OFFERING AT THE
SERVICE OF INDIVIDUAL AND CORPORATE CUSTOMERS

CONSOLIDATED STATEMENT OF F

	31/12/2016 LBP Million	31/12/2015 LBP Million
ASSETS		
Cash and balances with central banks	18,650,596	13,754,922
Due from banks and financial institutions	3,027,228	2,704,157
Loans to banks and financial institutions and reverse repurchase agreements	2,068,815	2,585,553
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	390,138	265,863
Shares and participations at fair value through profit and loss	73,621	59,292
Debt instruments and other similar financial assets at fair value through profit and loss	619,593	324,430
Of which: net loans and advances at fair value through profit and loss	21,898	22,185
Net loans and advances to customers at amortised cost ⁽¹⁾	25,926,265	26,711,323
Net loans and advances to related parties at amortised cost ⁽²⁾	219,193	214,549
Debtors by acceptances	199,156	240,605
Debt instruments classified at amortised cost ⁽³⁾	13,990,070	14,784,574
Shares and participations at fair value through other comprehensive income	193,948	144,375
Investments in associates	13,333	13,989
Assets taken in settlement of debts	81,027	72,779
Property and equipment	881,501	963,438
Intangible fixed assets	64,621	101,364
Non-current assets held for sale	-	-
Other assets	485,295	470,506
Goodwill	41,827	209,434
TOTAL ASSETS	66,926,227	63,621,153

⁽¹⁾ After deduction of provisions amounting to LBP 826 billion from loans and advances to customers as per IAS 39, of which LBP 437 billion representing provisions on collective assessment.

⁽²⁾ Loans granted to related parties against cash collateral amounted to LBP 174 billion.

⁽³⁾ Includes an amount of LBP 585 billion with risk ceded to customers.

	31/12/2016 LBP Million	31/12/2015 LBP Million
OFF-BALANCE SHEET		
Financing commitments		
- Financing commitments given to banks and financial institutions	649,916	548,320
- Financing commitments given to customers	4,799,561	5,222,427
Bank guarantees		
- Guarantees given to banks and financial institutions	273,924	231,963
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	2,043,360	2,603,635
Of which: credit derivatives	-	-
- Guarantees given to customers	2,512,012	2,543,077
- Guarantees received from customers	35,691,544	36,115,990
Financial notes commitments		
- 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	-	-
Foreign currencies forwards		
- Foreign currencies to receive	10,251,741	7,199,804
- Foreign currencies to deliver	10,327,112	7,215,797
Commitments on term financial instruments	12,686,456	9,599,733
Other commitments	-	-
Claims from legal cases	-	-
Fiduciary accounts	3,407,836	2,255,152
- Under specific instructions	3,307,051	1,963,991
- Under discretionary investments	100,785	291,161
Assets under management	12,659,104	12,185,015
Mutual funds	260,859	407,021
Structured financial products	-	-
Engagement unlikely to be executed	-	-
Bad debts written off during the year	183,991	34,327

FINANCIAL POSITION (UNAUDITED)

	31/12/2016 <i>LBP Million</i>	31/12/2015 <i>LBP Million</i>
LIABILITIES		
Due to central banks	2,007,112	569,856
Due to banks and financial institutions and repurchase agreement	2,575,056	2,340,565
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	272,952	131,199
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	53,389,218	52,990,507
Deposits from related parties	813,548	690,111
Debt issued and other borrowed funds	-	80,353
Engagements by acceptances	199,156	240,605
Other liabilities	827,788	476,516
Provisions for risks and charges	156,592	172,060
Subordinated loans and similar debts	973,535	973,629
Non-current liabilities held for sale	-	-
TOTAL LIABILITIES	61,214,957	58,665,401
Shareholders' Equity - Group Share		
Share capital - Common shares	661,985	661,985
Share capital - Preferred shares	10,350	6,210
Issue premium - Common shares	883,582	883,582
Issue premium - Preferred shares	931,837	559,102
Subsidiary shares warrants	12,629	17,145
Share capital and cash contribution to capital	72,586	72,586
Non-distributable reserves	1,591,617	1,179,216
Distributable reserves	623,640	642,865
Treasury shares	(94,026)	-
Retained earnings	915,093	675,524
Proposed dividends	-	-
Revaluation reserve of real estate	358,713	360,488
Reserve on revaluation of financial assets at fair value through other comprehensive income	32,154	36,211
Remeasurement actuarial (gain)/Loss on defined benefit plan	(4,253)	(5,592)
Share of associates' other comprehensive income under equity method	4,546	4,546
Foreign currency translation reserve	(1,244,917)	(732,696)
Net (loss) gain on hedge of net investments in foreign entities	(57,713)	(53,152)
Result of the period	694,082	587,948
Shareholders' equity - Group share	5,391,905	4,895,968
Non-controlling interest	319,365	59,784
Total shareholders' equity	5,711,270	4,955,752
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	66,926,227	63,621,153



Best Bank for Wealth Management
in the Middle East
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CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	2015 LBP Million	2016 LBP Million
Interest and similar income	3,751,014	3,866,005
Interest and similar expense	(2,300,257)	(2,332,603)
Net interest margin	1,450,757	1,533,402
Fee and commission income	496,006	1,452,275
Fee and commission expense	(96,411)	(106,760)
Net fee and commission income	399,595	1,345,515
Net gain on financial assets or liabilities at fair value through profit and loss	27,284	235,866
Of which: interest income	26,088	53,705
Net gain on financial investments	146,533	157,083
Other operating income	32,154	49,885
Total operating income	2,056,323	3,321,751
Net provisions for credit losses	(201,057)	(471,035)
Net operating income	1,855,266	2,850,716
Personnel expenses	(623,093)	(733,837)
Other operating expenses	(399,393)	(490,463)
Depreciation of property and equipment	(73,262)	(77,802)
Amortisation of intangible assets	(28,756)	(30,913)
Impairment on goodwill and investments	(5,457)	(193,660)
Total of operating expenses	(1,129,961)	(1,526,675)
Operating profit	725,305	1,324,041
Share of profit of associates under equity method	3,044	1,090
Net gain (loss) on disposal of other asset	(821)	(23,188)
Profit before tax	727,528	1,301,943
Income tax	(160,825)	(327,746)
Profit after tax	566,703	974,197
Result of discontinued operations, net of tax	41,024	(265,512)
Profit for the period	607,727	708,685
Minority share profit for the period	19,779	14,603
Group share profit for the period	587,948	694,082
Basic earnings per share LBP	1,387	1,628
Basic earnings per share from continuing operations LBP	1,333	2,294

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