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**AMONG TOP REGIONAL
BANKING GROUPS**

USD 44.4 billion in total
assets as at 31/12/2016

Bank Audi

**consolidated
activity highlights**

IN US DOLLARS

AT END-DECEMBER 2016

Diversified Growth of Assets and Net Profits

- USD 36.0 billion of total customers' deposits
- USD 17.3 billion of total loans to customers
- USD 3.8 billion of total shareholders' equity
- USD 470 million 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 USD 290 million, corresponding to 2% of risk-weighted loans
- 14.7% of return on average common equity, with USD 1.1 earnings per common share and USD 7.5 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 USD Thousands	31/12/2015 USD Thousands
ASSETS		
Cash and balances with central banks	12,371,872	9,124,326
Due from banks and financial institutions	2,008,111	1,793,802
Loans to banks and financial institutions and reverse repurchase agreements	1,372,348	1,715,126
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	258,798	176,360
Shares and participations at fair value through profit and loss	48,837	39,331
Debt instruments and other similar financial assets at fair value through profit and loss	411,007	215,211
Of which: net loans and advances at fair value through profit and loss	14,526	14,716
Net loans and advances to customers at amortised cost ⁽¹⁾	17,198,186	17,718,953
Net loans and advances to related parties at amortised cost ⁽²⁾	145,402	142,321
Debtors by acceptances	132,110	159,605
Debt instruments classified at amortised cost ⁽³⁾	9,280,312	9,807,346
Shares and participations at fair value through other comprehensive income	128,655	95,771
Investments in associates	8,844	9,280
Assets taken in settlement of debts	53,749	48,278
Property and equipment	584,743	639,097
Intangible fixed assets	42,866	67,240
Non-current assets held for sale	-	-
Other assets	321,921	312,110
Goodwill	27,746	138,928
TOTAL ASSETS	44,395,507	42,203,085

⁽¹⁾ After deduction of provisions amounting to USD 548 million from loans and advances to customers as per IAS 39, of which USD 290 million representing provisions on collective assessment.

⁽²⁾ Loans granted to related parties against cash collateral amounted to USD 115 million.

⁽³⁾ Includes an amount of USD 388 million with risk ceded to customers.

	31/12/2016 USD Thousands	31/12/2015 USD Thousands
OFF-BALANCE SHEET		
Financing commitments		
- Financing commitments given to banks and financial institutions	431,122	363,728
- Financing commitments given to customers	3,183,788	3,464,297
Bank guarantees		
- Guarantees given to banks and financial institutions	181,707	153,873
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	1,355,463	1,727,121
Of which: credit derivatives	-	-
- Guarantees given to customers	1,666,343	1,686,950
- Guarantees received from customers	23,675,983	23,957,538
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	6,800,492	4,775,989
- Foreign currencies to deliver	6,850,489	4,786,598
Commitments on term financial instruments	8,415,560	6,367,982
Other commitments	-	-
Claims from legal cases	-	-
Fiduciary accounts	2,260,588	1,495,955
- Under specific instructions	2,193,732	1,302,813
- Under discretionary investments	66,856	193,142
Assets under management	8,397,415	8,082,929
Mutual funds	173,041	269,997
Structured financial products	-	-
Engagement unlikely to be executed	-	-
Bad debts written off during the year	122,050	22,771

FINANCIAL POSITION (UNAUDITED)

	31/12/2016 USD Thousands	31/12/2015 USD Thousands
LIABILITIES		
Due to central banks	1,331,417	378,014
Due to banks and financial institutions and repurchase agreement	1,708,164	1,552,614
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	181,063	87,031
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	35,415,733	35,151,248
Deposits from related parties	539,667	457,785
Debt issued and other borrowed funds	-	53,302
Engagements by acceptances	132,110	159,605
Other liabilities	549,113	316,094
Provisions for risks and charges	103,875	114,136
Subordinated loans and similar debts	645,794	645,857
Non-current liabilities held for sale	-	-
TOTAL LIABILITIES	40,606,936	38,915,686
Shareholders' Equity - Group share		
Share capital - Common shares	439,128	439,128
Share capital - Preferred shares	6,866	4,119
Issue premium - Common shares	586,124	586,124
Issue premium - Preferred shares	618,134	370,880
Subsidiary shares warrants	8,377	11,373
Share capital and cash contribution to capital	48,150	48,150
Non-distributable reserves	1,055,799	782,233
Distributable reserves	413,692	426,444
Treasury shares	(62,372)	-
Retained earnings	607,027	448,109
Proposed dividends	-	-
Revaluation reserve of real estate	237,952	239,130
Reserve on revaluation of financial assets at fair value through other comprehensive income	21,330	24,021
Remeasurement actuarial (gain)/Loss on defined benefit plan	(2,821)	(3,709)
Share of associates' other comprehensive income under equity method	3,016	3,016
Foreign currency translation reserve	(825,817)	(486,034)
Net (loss) gain on hedge of net investments in foreign entities	(38,284)	(35,258)
Result of the period	460,419	390,015
Shareholders' equity - Group share	3,576,720	3,247,741
Non-controlling interest	211,851	39,658
Total shareholders' equity	3,788,571	3,287,399
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	44,395,507	42,203,085



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

	2016 USD Thousands	2015 USD Thousands
Interest and similar income	2,564,514	2,488,235
Interest and similar expense	(1,547,332)	(1,525,875)
Net interest margin	1,017,182	962,360
Fee and commission income	963,366	329,026
Fee and commission expense	(70,819)	(63,954)
Net fee and commission income	892,547	265,072
Net gain on financial assets or liabilities at fair value through profit and loss	156,462	18,099
Of which: interest income	35,625	17,305
Net gain on financial investments	104,201	97,203
Other operating income	33,091	21,328
Total operating income	2,203,483	1,364,062
Net provisions for credit losses	(312,461)	(133,371)
Net operating income	1,891,022	1,230,691
Personnel expenses	(486,791)	(413,329)
Other operating expenses	(325,349)	(264,938)
Depreciation of property and equipment	(51,610)	(48,598)
Amortisation of intangible assets	(20,506)	(19,075)
Impairment on goodwill and investments	(128,464)	(3,620)
Total of operating expenses	(1,012,720)	(749,560)
Operating profit	878,302	481,131
Share of profit of associates under equity method	723	2,019
Net gain (loss) on disposal of other asset	(15,382)	(545)
Profit before tax	863,643	482,605
Income tax	(217,410)	(106,683)
Profit after tax	646,233	375,922
Result of discontinued operations, net of tax	(176,127)	27,213
Profit for the period	470,106	403,135
Minority share profit for the period	9,687	13,120
Group share profit for the period	460,419	390,015
Basic earnings per share USD	1.08	0.92
Basic earnings per share from continuing operations USD	1.52	0.88

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