

2018

**AMONG THE TOP REGIONAL  
BANKING GROUPS**

USD 44.9 billion in total  
assets as at 30/6/2018

# consolidated activity highlights

IN US DOLLARS

AT END-JUNE 2018

## Bank Audi

- USD 31.3 billion of total customers' deposits
- USD 14.6 billion of total loans to customers
- USD 4.0 billion of total shareholders' equity
- USD 265 million of net profits in the first half 2018,  
rising by 25% relative to the recurrent net profits of the corresponding period of 2017
- USD 95 million of those profits are generated in entities outside Lebanon,  
of which USD 39 million in Odea Bank in Turkey and USD 33 million in Bank Audi Egypt

### Main Financial Indicators

- 70.1% of primary liquidity to customers' deposits ratio
- 18.3% of capital adequacy ratio as per Basel III,  
of which 11.1% of Common Equity Tier 1 ratio
- 4.1% of gross doubtful loans to gross loans ratio,  
covered up to 101% by specific provisions and real guarantees
- USD 267 million of collective provisions
- 14.7% of return on average common equity

A UNIVERSAL AND INNOVATIVE BANKING OFFERING  
CATERING TO 1.1 MILLION CUSTOMERS SERVED THROUGH  
202 BRANCHES AND 6,300 EMPLOYEES IN 11 COUNTRIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/6/2018 USD Thousands	31/12/2017 USD Thousands
<b>ASSETS</b>		
Cash and balances with central banks	13,071,968	13,165,412
Due from banks and financial institutions	1,644,414	965,010
Loans to banks and financial institutions and reverse repurchase agreements	77,712	801,682
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	470,603	264,069
Shares and participations at fair value through profit and loss	40,891	40,484
Debt instruments and other similar financial assets at fair value through profit and loss	181,338	951,522
Of which: net loans and advances at fair value through profit and loss	22,690	31,614
Net loans and advances to customers at amortised cost	14,454,751	16,186,257
Net loans and advances to related parties at amortised cost <sup>(1)</sup>	117,685	107,339
Debtors by acceptances	277,267	150,512
Debt instruments classified at amortised cost <sup>(2)</sup>	12,713,326	9,832,401
Shares and participations at fair value through other comprehensive income	99,766	104,827
Debt instruments and other similar financial assets at fair value through other comprehensive income	473,321	-
Investments in associates	97,998	89,192
Assets taken in settlement of debts	117,846	95,561
Property and equipment	576,698	586,666
Intangible fixed assets	48,111	50,576
Non-current assets held for sale	-	-
Other assets	367,534	331,995
Goodwill	28,333	28,334
<b>TOTAL ASSETS</b>	<b>44,859,562</b>	<b>43,751,839</b>

<sup>(1)</sup> Loans granted to related parties against cash collateral amounted to USD 85 million.

<sup>(2)</sup> Includes an amount of USD 1,403 million with risk ceded to customers.

	30/6/2018 USD Thousands	31/12/2017 USD Thousands
<b>OFF-BALANCE SHEET</b>		
<b>Financing commitments</b>		
- Financing commitments given to banks and financial institutions	419,327	499,080
- Financing commitments given to customers	3,070,066	3,305,167
<b>Bank guarantees</b>		
- Guarantees given to banks and financial institutions	67,312	147,759
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	100,208	818,986
Of which: credit derivatives	-	-
- Guarantees given to customers	1,407,701	1,493,460
- Guarantees received from customers	23,089,889	24,395,771
<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	7,283,218	7,401,225
- Foreign currencies to deliver	7,297,931	7,411,882
<b>Commitments on term financial instruments</b>	<b>13,669,753</b>	<b>6,117,424</b>
<b>Other commitments</b>		
<b>Claims from legal cases</b>		
<b>Fiduciary accounts</b>	<b>2,101,828</b>	<b>1,953,441</b>
- Under specific instructions	2,086,633	1,936,522
- Under discretionary investments	15,195	16,919
<b>Assets under management</b>	<b>9,867,008</b>	<b>8,987,616</b>
<b>Mutual funds</b>	<b>52,879</b>	<b>49,016</b>
<b>Structured financial products</b>		
Engagement unlikely to be executed	-	-
<b>Bad debts written off during the year</b>	<b>72,850</b>	<b>3,296</b>

	30/6/2018 USD Thousands	31/12/2017 USD Thousands
<b>LIABILITIES</b>		
Due to central banks	5,553,000	2,634,492
Due to banks and financial institutions and repurchase agreement	1,824,209	1,887,294
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	408,207	136,242
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	30,889,983	32,953,802
Deposits from related parties	430,290	497,660
Debt issued and other borrowed funds	-	-
Engagements by acceptances	277,267	150,512
Other liabilities	340,968	390,504
Provisions for risks and charges	291,127	94,017
Subordinated loans and similar debts	818,836	819,415
Non-current liabilities held for sale	-	-
<b>TOTAL LIABILITIES</b>	<b>40,833,887</b>	<b>39,563,938</b>
<b>Shareholders' Equity - Group share</b>		
Share capital - Common shares	440,984	440,984
Share capital - Preferred shares	8,274	8,274
Issue premium - Common shares	586,124	586,124
Issue premium - Preferred shares	741,726	741,726
Subsidiary shares warrants	8,377	8,377
Share capital and cash contribution to capital	48,150	48,150
Non-distributable reserves	1,268,919	1,140,907
Distributable reserves	287,081	287,022
Treasury shares	(3,877)	(62,708)
Retained earnings	946,681	827,137
Proposed dividends	-	-
Revaluation reserve of real estate	236,907	236,907
Reserve on revaluation of financial assets at fair value through other comprehensive income	2,126	582
Reserve for cash flow hedges	(1,810)	-
Remeasurement actuarial (gain)/Loss on defined benefit plan	(8,495)	(8,495)
Share of associates' other comprehensive income under equity method	3,624	3,016
Foreign currency translation reserve	(999,248)	(847,612)
Net (loss) gain on hedge of net investments in foreign entities	-	(7,777)
Result of the period	255,828	538,121
<b>Shareholders' equity - Group share</b>	<b>3,821,371</b>	<b>3,940,735</b>
<b>Non-controlling interest</b>	<b>204,304</b>	<b>247,166</b>
<b>Total shareholders' equity</b>	<b>4,025,675</b>	<b>4,187,901</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>44,859,562</b>	<b>43,751,839</b>



# CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/6/2018 USD Thousands	30/6/2017 USD Thousands
Interest and similar income	1,465,389	1,368,585
Interest and similar expense	(883,310)	(834,188)
<b>Net interest margin</b>	<b>582,079</b>	<b>534,397</b>
Fee and commission income	123,982	157,451
Fee and commission expense	(18,704)	(30,689)
<b>Net fee and commission income</b>	<b>105,278</b>	<b>126,762</b>
Net gain on financial assets or liabilities at fair value through profit and loss	32,539	29,263
Of which: interest income	4,840	18,756
Net gain on financial investments	10,158	12,440
Other operating income	10,066	31,561
<b>Total operating income</b>	<b>740,120</b>	<b>734,423</b>
Net provisions for credit losses	(59,688)	(71,470)
<b>Net operating income</b>	<b>680,432</b>	<b>662,953</b>
Personnel expenses	(188,797)	(217,694)
Other operating expenses	(121,205)	(144,305)
Depreciation of property and equipment	(20,900)	(24,468)
Amortisation of intangible assets	(7,750)	(7,710)
Impairment on goodwill and investments	-	-
<b>Total of operating expenses</b>	<b>(338,652)</b>	<b>(394,177)</b>
<b>Operating profit</b>	<b>341,780</b>	<b>268,776</b>
Share of profit of associates under equity method	721	1,079
Net gain (loss) on disposal of other asset	141	552
<b>Profit before tax</b>	<b>342,642</b>	<b>270,407</b>
Income tax	(77,253)	(57,646)
<b>Profit after tax</b>	<b>265,389</b>	<b>212,761</b>
Result of discontinued operations, net of tax	-	95,293
<b>Profit for the period</b>	<b>265,389</b>	<b>308,054</b>
<b>Minority share profit for the period</b>	<b>9,561</b>	<b>10,072</b>
<b>Group share profit for the period</b>	<b>255,828</b>	<b>297,982</b>
Basic earnings per share USD	0.59	0.72
Basic earnings per share from continuing operations USD	0.59	0.48

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