

2017

# Bank Audi

## consolidated activity highlights

IN LEBANESE POUNDS  
AT END-JUNE 2017

### AMONG TOP REGIONAL BANKING GROUPS

LBP 66,136 billion in total  
assets as at 30/6/2017

of which 41% from entities  
outside Lebanon

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

- LBP 54,747 billion of total customers' deposits
- LBP 26,583 billion of total loans to customers
- LBP 5,761 billion of total shareholders' equity
- LBP 464 billion of net profits in the first half of 2017, and LBP 321 billion excluding net profits from the sale of the Card and Electronic Payment processing and acquiring activities

### Main Financial Indicators

- 56.3% of primary liquidity to customers' deposits ratio
- 15.2% of capital adequacy ratio as per Basel III, of which 9.7% of Common Equity Tier 1 ratio
- 3.3% of gross doubtful loans to gross loans ratio, covered up to 108% by specific provisions and real guarantees
- LBP 620 billion of collective provisions, in addition to the above specific provisions
- 13.0% of return on average common equity, excluding net profits from the sale of the Card and Electronic Payment processing and acquiring activities

ODEA BANK, THE SUBSIDIARY IN TURKEY, WAS GRANTED A Ba3 RATING FROM MOODY'S AND A BB- RATING FROM FITCH, HIGHER BY 2 TO 3 NOTCHES THAN THE RATING OF THE LARGEST LEBANESE BANKING GROUPS

A UNIVERSAL AND INNOVATIVE BANKING OFFERING  
1.2 MILLION CUSTOMERS SERVED THROUGH 206 BRANCHES AND 7 THOUSAND EMPLOYEES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/6/2017 LBP Million	31/12/2016 LBP Million
<b>ASSETS</b>		
Cash and balances with central banks	18,003,102	18,650,596
Due from banks and financial institutions	2,470,781	3,027,228
Loans to banks and financial institutions and reverse repurchase agreements	981,704	2,068,815
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	372,630	390,138
Shares and participations at fair value through profit and loss	58,810	73,621
Debt instruments and other similar financial assets at fair value through profit and loss	1,393,137	619,593
Of which: net loans and advances at fair value through profit and loss	47,675	21,898
Net loans and advances to customers at amortised cost <sup>(1)</sup>	26,389,669	25,732,247
Net loans and advances to related parties at amortised cost <sup>(2)</sup>	193,717	219,193
Debtors by acceptances	189,431	199,156
Debt instruments classified at amortised cost <sup>(3)</sup>	14,129,244	13,990,070
Shares and participations at fair value through other comprehensive income	201,387	193,948
Investments in associates	134,582	13,333
Assets taken in settlement of debts	111,443	81,027
Property and equipment	884,504	881,501
Intangible fixed assets	59,830	64,621
Non-current assets held for sale	-	-
Other assets	517,671	485,295
Goodwill	44,269	41,827
<b>TOTAL ASSETS</b>	<b>66,135,911</b>	<b>66,732,209</b>

<sup>(1)</sup> After deduction of provisions amounting to LBP 1,099 billion from loans and advances to customers as per IAS 39, of which LBP 620 billion representing provisions on collective assessment.

<sup>(2)</sup> Loans granted to related parties against cash collateral amounted to LBP 151 billion.

<sup>(3)</sup> Includes an amount of LBP 499 billion with risk ceded to customers.

	30/6/2017 LBP Million	31/12/2016 LBP Million
<b>OFF-BALANCE SHEET</b>		
<b>Financing commitments</b>		
- Financing commitments given to banks and financial institutions	769,801	649,916
- Financing commitments given to customers	5,055,678	4,799,560
<b>Bank guarantees</b>		
- Guarantees given to banks and financial institutions	248,105	273,923
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	985,365	2,043,361
Of which: credit derivatives	-	-
- Guarantees given to customers	2,409,431	2,512,013
- Guarantees received from customers	37,948,721	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	12,723,896	10,251,741
- Foreign currencies to deliver	12,806,734	10,327,110
Commitments on term financial instruments	14,495,676	12,686,455
<b>Other commitments</b>		
Claims from legal cases	-	-
<b>Fiduciary accounts</b>	3,619,396	3,407,836
- Under specific instructions	3,582,550	3,307,051
- Under discretionary investments	36,846	100,785
<b>Assets under management</b>	13,900,935	12,659,104
Mutual funds	81,802	260,859
Structured financial products	-	-
Engagement unlikely to be executed	-	-
Bad debts written off during the year	2,490	183,991

	30/6/2017 LBP Million	31/12/2016 LBP Million
<b>LIABILITIES</b>		
Due to central banks	1,004,851	2,008,163
Due to banks and financial institutions and repurchase agreement	2,460,593	2,574,005
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	234,396	272,952
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	53,910,449	53,389,218
Deposits from related parties	836,895	813,548
Debt issued and other borrowed funds	43,050	-
Engagements by acceptances	189,431	199,156
Other liabilities	601,119	769,582
Provisions for risks and charges	129,012	156,592
Subordinated loans and similar debts	964,689	973,535
Non-current liabilities held for sale	-	-
<b>TOTAL LIABILITIES</b>	<b>60,374,485</b>	<b>61,156,751</b>
<b>Shareholders' Equity - Group share</b>		
Share capital - Common shares	661,985	661,985
Share capital - Preferred shares	10,350	10,350
Issue premium - Common shares	883,582	883,582
Issue premium - Preferred shares	931,837	931,837
Subsidiary shares warrants	12,629	12,629
Share capital and cash contribution to capital	72,586	72,586
Non-distributable reserves	1,587,150	1,456,141
Distributable reserves	624,555	624,501
Treasury shares	(91,721)	(94,026)
Retained earnings	1,104,192	875,244
Proposed dividends	-	-
Revaluation reserve of real estate	358,779	358,713
Reserve on revaluation of financial assets at fair value through other comprehensive income	38,107	32,154
Remeasurement actuarial (gain)/Loss on defined benefit plan	(4,254)	(4,254)
Share of associates' other comprehensive income under equity method	4,546	4,546
Foreign currency translation reserve	(1,167,448)	(1,206,264)
Net (loss) gain on hedge of net investments in foreign entities	(38,216)	(57,713)
Result of the period	449,208	672,095
<b>Shareholders' equity - Group share</b>	<b>5,437,867</b>	<b>5,234,106</b>
<b>Non-controlling interest</b>	<b>323,559</b>	<b>341,352</b>
<b>Total shareholders' equity</b>	<b>5,761,426</b>	<b>5,575,458</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>66,135,911</b>	<b>66,732,209</b>



# CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/6/2017 LBP Million	30/6/2016 LBP Million
Interest and similar income	2,063,142	1,900,986
Interest and similar expense	(1,257,538)	(1,155,120)
<b>Net interest margin</b>	<b>805,604</b>	<b>745,866</b>
Fee and commission income	237,357	246,845
Fee and commission expense	(46,264)	(54,312)
<b>Net fee and commission income</b>	<b>191,093</b>	<b>192,533</b>
Net gain on financial assets or liabilities at fair value through profit and loss	39,716	100,854
Of which: interest income	28,275	25,619
Net gain on financial investments	23,153	120,505
Other operating income	47,578	26,900
<b>Total operating income</b>	<b>1,107,144</b>	<b>1,186,658</b>
Net provisions for credit losses	(107,741)	(147,965)
<b>Net operating income</b>	<b>999,403</b>	<b>1,038,693</b>
Personnel expenses	(328,174)	(352,207)
Other operating expenses	(217,540)	(244,852)
Depreciation of property and equipment	(36,885)	(38,392)
Amortisation of intangible assets	(11,623)	(17,202)
Impairment on goodwill and investments	-	-
<b>Total of operating expenses</b>	<b>(594,222)</b>	<b>(652,653)</b>
<b>Operating profit</b>	<b>405,181</b>	<b>386,040</b>
Share of profit of associates under equity method	1,627	866
Net gain (loss) on disposal of other asset	833	(62)
<b>Profit before tax</b>	<b>407,641</b>	<b>386,844</b>
Income tax	(86,902)	(82,278)
<b>Profit after tax</b>	<b>320,739</b>	<b>304,566</b>
Result of discontinued operations, net of tax	143,654	35,610
<b>Profit for the period</b>	<b>464,393</b>	<b>340,176</b>
<b>Minority share profit for the period</b>	<b>15,185</b>	<b>18,149</b>
<b>Group share profit for the period</b>	<b>449,208</b>	<b>322,027</b>
Basic earnings per share LBP	1,093	763
Basic earnings per share from continuing operations LBP	724	719

## HEADQUARTERS

**BANK AUDI sal**  
Bank Audi Plaza, Bab Idriss  
P.O.Box: 11-2560 Beirut - LEBANON  
Phone: +961 1 994000 Fax: +961 1 990555  
contactus@bankaudi.com.lb - bankaudigroup.com

## Country Management Lebanon

Bank Audi Palladium, Bab Idriss  
P.O. Box: 11-2560 Beirut - LEBANON  
Phone: +961 1 994000 Fax: +961 1 990555  
contactus@bankaudi.com.lb - bankaudi.com.lb

M1 Building, Bab Idriss  
P.O. Box: 11-2560 Beirut - LEBANON  
Phone: +961 1 994000 Fax: +961 1 990555  
contactus@bankaudi.com.lb - bankaudi.com.lb

## DOMESTIC PRESENCE

- AUDI INVESTMENT BANK sal
- AUDI PRIVATE BANK sal
- Solifac sal

Phone: +961 1 994000 Fax: +961 1 999406 - contactus@bankaudiib.com - bankaudigroup.com  
Phone: +961 1 954800/954900 Fax: +961 1 954880 - contactus.lebanon@bankaudiipb.com - bankaudiipb.com  
Phone: +961 1 209200 Fax: +961 1 209205

## FOREIGN PRESENCE

- BANQUE AUDI (SUISSE) SA  
Beirut Representative Office
- BANK AUDI FRANCE sa
- BANK AUDI sal - JORDAN BRANCHES
- BANK AUDI sae (Egypt)
- AUDI CAPITAL (KSA) cjsc
- BANK AUDI LLC (Qatar)
- AUDI CAPITAL GESTION SAM
- ODEA BANK A.Ş.
- BANK AUDI sal - IRAQ BRANCHES
- BANK AUDI sal - ABU DHABI REP. OFFICE

Phone: +41 22 704 11 11 Fax: +41 22 704 11 00 - contactus.gva@bankaudiipb.com - bankaudiipb.com  
Phone: +961 1 977 544 Fax: +961 1 980 535  
Phone: +33 1 53 83 50 00 Fax: +33 1 42 56 09 74 - contactus@bankaudi.fr - bankaudi.fr  
Phone: +962 6 4604000 Fax: +962 6 4680015 - contactus@bankaudi.com.jo - bankaudi.com.jo  
Phone: +20 2 35343300 Fax: +20 2 35362120 - contactus@bankaudi.com.eg - bankaudi.com.eg  
Phone: +966 11 2199300 Fax: +966 11 4627942 - contactus@audicapital.com - audicapital.com  
Phone: +974 44967365 Fax: +974 44967373 - contactus.qatar@bankaudiipb.com - bankaudiipb.com  
Phone: +377 97 97 65 11 Fax: +377 97 97 65 19 - contactus.mc@bankaudiipb.com - bankaudiipb.com  
Phone: +90 212 3048444 Fax: +90 212 3048445 - info@odeabank.com.tr - odeabank.com.tr  
Phone: +964 772 9768900 - contactus.iraq@bankaudi.com.lb - bankaudiiraq.com  
Phone: +971 2 6331180 Fax: +971 2 6336044 - contactus.abu-dhabi@bankaudiipb.com - bankaudiipb.com