

2017

Bank Audi

consolidated activity highlights

IN US DOLLARS

AT END-JUNE 2017

AMONG TOP REGIONAL BANKING GROUPS

USD 44 billion in total assets as at 30/6/2017

of which 41% from entities outside Lebanon

Consolidated Activity Highlights as at End-June 2017

- USD 36.3 billion of total customers' deposits
- USD 17.6 billion of total loans to customers
- USD 3.8 billion of total shareholders' equity
- USD 308 million of net profits in the first half of 2017, and USD 213 million 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
- USD 411 million 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 USD Thousands	31/12/2016 USD Thousands
ASSETS		
Cash and balances with central banks	11,942,356	12,371,872
Due from banks and financial institutions	1,638,993	2,008,111
Loans to banks and financial institutions and reverse repurchase agreements	651,213	1,372,348
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	247,184	258,798
Shares and participations at fair value through profit and loss	39,011	48,837
Debt instruments and other similar financial assets at fair value through profit and loss	924,137	411,007
Of which: net loans and advances at fair value through profit and loss	31,625	14,526
Net loans and advances to customers at amortised cost ⁽¹⁾	17,505,585	17,069,485
Net loans and advances to related parties at amortised cost ⁽²⁾	128,502	145,402
Debtors by acceptances	125,659	132,110
Debt instruments classified at amortised cost ⁽³⁾	9,372,633	9,280,312
Shares and participations at fair value through other comprehensive income	133,590	128,655
Investments in associates	89,275	8,844
Assets taken in settlement of debts	73,925	53,749
Property and equipment	586,736	584,743
Intangible fixed assets	39,688	42,866
Non-current assets held for sale	-	-
Other assets	343,398	321,921
Goodwill	29,366	27,746
TOTAL ASSETS	43,871,251	44,266,806

⁽¹⁾ After deduction of provisions amounting to USD 728 million from loans and advances to customers as per IAS 39, of which USD 411 million representing provisions on collective assessment.

⁽²⁾ Loans granted to related parties against cash collateral amounted to USD 100 million.

⁽³⁾ Includes an amount of USD 331 million with risk ceded to customers.

	30/6/2017 USD Thousands	31/12/2016 USD Thousands
OFF-BALANCE SHEET		
Financing commitments		
- Financing commitments given to banks and financial institutions	510,647	431,122
- Financing commitments given to customers	3,353,684	3,183,788
Bank guarantees		
- Guarantees given to banks and financial institutions	164,580	181,707
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	653,642	1,355,463
Of which: credit derivatives	-	-
- Guarantees given to customers	1,598,296	1,666,343
- Guarantees received from customers	25,173,281	23,661,749
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	8,440,396	6,800,492
- Foreign currencies to deliver	8,495,346	6,850,489
Commitments on term financial instruments	9,615,706	8,415,560
Other commitments		
Claims from legal cases	-	-
Fiduciary accounts		
- Under specific instructions	2,400,927	2,260,588
- Under discretionary investments	2,376,485	2,193,732
	24,442	66,856
Assets under management	9,221,184	8,397,415
Mutual funds	54,263	173,041
Structured financial products	-	-
Engagement unlikely to be executed	-	-
Bad debts written off during the year	1,652	122,050

	30/6/2017 USD Thousands	31/12/2016 USD Thousands
LIABILITIES		
Due to central banks	666,567	1,332,115
Due to banks and financial institutions and repurchase agreement	1,632,234	1,707,466
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	155,487	181,063
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	35,761,492	35,415,733
Deposits from related parties	555,154	539,667
Debt issued and other borrowed funds	28,557	-
Engagements by acceptances	125,659	132,110
Other liabilities	398,753	510,503
Provisions for risks and charges	85,580	103,875
Subordinated loans and similar debts	639,926	645,794
Non-current liabilities held for sale	-	-
TOTAL LIABILITIES	40,049,409	40,568,326
Shareholders' Equity - Group share		
Share capital - Common shares	439,128	439,128
Share capital - Preferred shares	6,866	6,866
Issue premium - Common shares	586,124	586,124
Issue premium - Preferred shares	618,134	618,134
Subsidiary shares warrants	8,377	8,377
Share capital and cash contribution to capital	48,150	48,150
Non-distributable reserves	1,052,835	965,931
Distributable reserves	414,299	414,263
Treasury shares	(60,843)	(62,372)
Retained earnings	732,465	580,593
Proposed dividends	-	-
Revaluation reserve of real estate	237,996	237,952
Reserve on revaluation of financial assets at fair value through other comprehensive income	25,278	21,330
Remeasurement actuarial (gain)/Loss on defined benefit plan	(2,821)	(2,821)
Share of associates' other comprehensive income under equity method	3,016	3,016
Foreign currency translation reserve	(774,427)	(800,177)
Net (loss) gain on hedge of net investments in foreign entities	(25,350)	(38,284)
Result of the period	297,982	445,834
Shareholders' equity - Group share	3,607,209	3,472,044
Non-controlling interest	214,633	226,436
Total shareholders' equity	3,821,842	3,698,480
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	43,871,251	44,266,806



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/6/2017 USD Thousands	30/6/2016 USD Thousands
Interest and similar income	1,368,585	1,261,019
Interest and similar expense	(834,188)	(766,248)
Net interest margin	534,397	494,771
Fee and commission income	157,451	163,743
Fee and commission expense	(30,689)	(36,028)
Net fee and commission income	126,762	127,715
Net gain on financial assets or liabilities at fair value through profit and loss	26,345	66,902
Of which: interest income	18,756	16,994
Net gain on financial investments	15,358	79,937
Other operating income	31,561	17,843
Total operating income	734,423	787,168
Net provisions for credit losses	(71,470)	(98,152)
Net operating income	662,953	689,016
Personnel expenses	(217,694)	(233,637)
Other operating expenses	(144,305)	(162,423)
Depreciation of property and equipment	(24,468)	(25,467)
Amortisation of intangible assets	(7,710)	(11,411)
Impairment on goodwill and investments	-	-
Total of operating expenses	(394,177)	(432,938)
Operating profit	268,776	256,078
Share of profit of associates under equity method	1,079	574
Net gain (loss) on disposal of other asset	552	(41)
Profit before tax	270,407	256,611
Income tax	(57,646)	(54,578)
Profit after tax	212,761	202,033
Result of discontinued operations, net of tax	95,293	23,622
Profit for the period	308,054	225,655
Minority share profit for the period	10,072	12,039
Group share profit for the period	297,982	213,616
Basic earnings per share USD	0.73	0.51
Basic earnings per share from continuing operations USD	0.48	0.48

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- AUDI CAPITAL (KSA) cjsc
- BANK AUDI LLC (Qatar)
- AUDI CAPITAL GESTION SAM
- ODEA BANK A.Ş.
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