

2017

Bank Audi

consolidated activity highlights

IN US DOLLARS

AT END-SEPTEMBER 2017

A LEADING POSITIONING IN MAIN COUNTRIES OF PRESENCE

USD 44.7 billion in total
assets as at 30/9/2017

of which 40% from entities
outside Lebanon

Consolidated Activity Highlights as at End-September 2017

- USD 35.7 billion of total customers' deposits
- USD 17.2 billion of total loans to customers
- USD 3.8 billion of total shareholders' equity
- USD 437 million of net profits in the first nine months of 2017, and USD 341 million excluding net profits from the sale of the Card and Electronic Payment processing and acquiring activities, of which 46% from entities outside Lebanon

Main Financial Indicators

- 59.9% of primary liquidity to customers' deposits ratio
- 15.6% of capital adequacy ratio as per Basel III, of which 10.1% of Common Equity Tier 1 ratio
- 3.3% of gross doubtful loans to gross loans ratio, covered up to 111% by specific provisions and real guarantees
- USD 448 million of collective provisions, in addition to the above specific provisions
- 13.7% of return on average common equity, excluding net profits from the sale of the Card and Electronic Payment processing and acquiring activities

AMONG THE TOP REGIONAL BANKING GROUPS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/9/2017 USD Thousands	31/12/2016 USD Thousands
ASSETS		
Cash and balances with central banks	12,817,248	12,371,872
Due from banks and financial institutions	1,777,954	2,008,111
Loans to banks and financial institutions and reverse repurchase agreements	584,028	1,372,348
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	269,754	258,798
Shares and participations at fair value through profit and loss	37,834	48,837
Debt instruments and other similar financial assets at fair value through profit and loss	1,156,141	411,007
Of which: net loans and advances at fair value through profit and loss	31,672	14,526
Net loans and advances to customers at amortised cost ⁽¹⁾	17,028,258	17,069,485
Net loans and advances to related parties at amortised cost ⁽²⁾	125,076	145,402
Debtors by acceptances	140,010	132,110
Debt instruments classified at amortised cost ⁽³⁾	9,487,382	9,280,312
Shares and participations at fair value through other comprehensive income	106,959	128,655
Investments in associates	88,827	8,844
Assets taken in settlement of debts	81,629	53,749
Property and equipment	595,012	584,743
Intangible fixed assets	38,453	42,866
Non-current assets held for sale	-	-
Other assets	318,790	321,921
Goodwill	28,975	27,746
TOTAL ASSETS	44,682,330	44,266,806

⁽¹⁾ After deduction of provisions amounting to USD 762 million from loans and advances to customers as per IAS 39, of which USD 448 million representing provisions on collective assessment.

⁽²⁾ Loans granted to related parties against cash collateral amounted to USD 90 million.

⁽³⁾ Includes an amount of USD 624 million with risk ceded to customers.

	30/9/2017 USD Thousands	31/12/2016 USD Thousands
OFF-BALANCE SHEET		
Financing commitments		
- Financing commitments given to banks and financial institutions	460,615	431,122
- Financing commitments given to customers	3,294,678	3,183,788
Bank guarantees		
- Guarantees given to banks and financial institutions	475,767	181,707
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	579,067	1,355,463
Of which: credit derivatives	-	-
- Guarantees given to customers	1,540,036	1,666,343
- Guarantees received from customers	24,749,409	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	8,087,209	6,800,492
- Foreign currencies to deliver	8,100,510	6,850,489
Commitments on term financial instruments	9,057,361	8,415,560
Other commitments		
Claims from legal cases	-	-
Fiduciary accounts		
- Under specific instructions	2,176,526	2,260,588
- Under discretionary investments	2,156,095	2,193,732
	20,431	66,856
Assets under management	9,128,885	8,397,415
Mutual funds	47,031	173,041
Structured financial products	-	-
Engagement unlikely to be executed	-	-
Bad debts written off during the year	2,370	122,050

	30/9/2017 USD Thousands	31/12/2016 USD Thousands
LIABILITIES		
Due to central banks	1,556,180	1,332,115
Due to banks and financial institutions and repurchase agreement	1,969,551	1,707,466
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	141,250	181,063
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	35,227,750	35,415,733
Deposits from related parties	521,054	539,667
Debt issued and other borrowed funds	-	-
Engagements by acceptances	140,010	132,110
Other liabilities	416,398	510,503
Provisions for risks and charges	90,281	103,875
Subordinated loans and similar debts	812,518	645,794
Non-current liabilities held for sale	-	-
TOTAL LIABILITIES	40,874,992	40,568,326
Shareholders' Equity - Group share		
Share capital - Common shares	440,984	439,128
Share capital - Preferred shares	5,240	6,866
Issue premium - Common shares	586,124	586,124
Issue premium - Preferred shares	469,760	618,134
Subsidiary shares warrants	8,377	8,377
Share capital and cash contribution to capital	48,150	48,150
Non-distributable reserves	1,050,839	965,931
Distributable reserves	412,066	414,263
Treasury shares	(60,997)	(62,372)
Retained earnings	755,470	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	4,514	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	(778,040)	(800,177)
Net (loss) gain on hedge of net investments in foreign entities	(12,369)	(38,284)
Result of the period	421,729	445,834
Shareholders' equity - Group share	3,590,038	3,472,044
Non-controlling interest	217,300	226,436
Total shareholders' equity	3,807,338	3,698,480
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	44,682,330	44,266,806



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/9/2017 USD Thousands	30/9/2016 USD Thousands
Interest and similar income	2,112,815	1,922,347
Interest and similar expense	(1,305,236)	(1,162,652)
Net interest margin	807,579	759,695
Fee and commission income	220,448	872,004
Fee and commission expense	(41,010)	(52,489)
Net fee and commission income	179,438	819,515
Net gain on financial assets or liabilities at fair value through profit and loss	89,708	29,956
Of which: interest income	34,681	27,277
Net gain on financial investments	22,859	130,348
Other operating income	39,518	23,789
Total operating income	1,139,102	1,763,303
Net provisions for credit losses	(125,022)	(227,743)
Net operating income	1,014,080	1,535,560
Personnel expenses	(317,352)	(370,214)
Other operating expenses	(220,442)	(259,852)
Depreciation of property and equipment	(37,002)	(39,040)
Amortisation of intangible assets	(11,389)	(17,171)
Impairment on goodwill and investments	-	(128,464)
Total of operating expenses	(586,185)	(814,741)
Operating profit	427,895	720,819
Share of profit of associates under equity method	1,677	699
Net gain (loss) on disposal of other asset	594	(15,389)
Profit before tax	430,166	706,129
Income tax	(88,778)	(164,611)
Profit after tax	341,388	541,518
Result of discontinued operations, net of tax	95,293	(191,175)
Profit for the period	436,681	350,343
Minority share profit for the period	14,952	3,435
Group share profit for the period	421,729	346,908
Basic earnings per share USD	1.02	0.83

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