

2018

**AMONG THE TOP REGIONAL  
BANKING GROUPS**

LBP 68,929 billion in total  
assets as at 30/9/2018

# consolidated activity highlights

IN LEBANESE POUNDS

AT END-SEPTEMBER 2018

## Bank Audi

- LBP 46,553 billion of total customers' deposits
- LBP 20,621 billion of total loans to customers
- LBP 5,771 billion of total shareholders' equity
- LBP 618 billion of net profits in the first nine months of 2018  
rising by **20%** relative to the recurrent net profits of the corresponding period of 2017
- LBP 198 billion of those profits are generated in entities outside Lebanon,  
representing **32%** of the total

### Main Financial Indicators

- **76.4%** of primary liquidity to customers' deposits ratio
- **18.2%** of capital adequacy ratio as per Basel III,  
of which **11.4%** of Common Equity Tier 1 ratio
- **4.5%** of gross doubtful loans to gross loans ratio,  
covered up to **107%** by specific provisions and real guarantees
- LBP 390 billion of collective provisions
- **15.4%** of return on average common equity

A UNIVERSAL AND INNOVATIVE BANKING OFFERING  
CATERING TO 1.1 MILLION CUSTOMERS SERVED THROUGH  
202 BRANCHES AND 6,275 EMPLOYEES IN 11 COUNTRIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/9/2018 LBP Million	31/12/2017 LBP Million
<b>ASSETS</b>		
Cash and balances with central banks	23,057,740	19,846,859
Due from banks and financial institutions	2,342,140	1,454,753
Due from head office, sister, related banks and financial institutions	-	-
Loans to banks and financial institutions and reverse repurchase agreements	240,864	1,208,536
Financial assets given as collateral	-	-
Derivative financial instruments	903,077	398,084
Shares and participations at fair value through profit and loss	97,535	61,030
Debt instruments and other similar financial assets at fair value through profit and loss	309,794	1,434,420
Of which: net loans and advances at fair value through profit and loss	34,731	47,658
Net loans and advances to customers at amortised cost	20,436,379	24,400,781
Net loans and advances to related parties at amortised cost <sup>(1)</sup>	184,249	161,814
Debtors by acceptances	377,362	226,896
Debt instruments classified at amortised cost <sup>(2)</sup>	18,258,108	14,822,345
Shares and participations at fair value through other comprehensive income	105,428	158,027
Debt instruments and other similar financial assets at fair value through other comprehensive income	829,060	-
Investments in associates	148,588	134,457
Assets taken in settlement of debts	175,259	144,058
Property and equipment	855,164	884,400
Intangible fixed assets	66,266	76,243
Non-current assets held for sale	-	-
Other assets	498,259	500,481
Goodwill	43,402	42,713
<b>TOTAL ASSETS</b>	<b>68,928,674</b>	<b>65,955,897</b>

<sup>(1)</sup> Loans granted to related parties against cash collateral amounted to LBP 125 billion.

<sup>(2)</sup> Includes an amount of LBP 1,851 billion with risk ceded to customers.

	30/9/2018 LBP Million	31/12/2017 LBP Million
<b>OFF-BALANCE SHEET</b>		
<b>Financing commitments</b>		
- Financing commitments given to banks and financial institutions	473,566	752,363
- Financing commitments given to customers	4,914,552	4,982,539
<b>Bank guarantees</b>		
- Guarantees given to banks and financial institutions	103,848	222,747
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	295,741	1,234,621
Of which: credit derivatives	-	-
- Guarantees given to customers	1,990,034	2,251,391
- Guarantees received from customers	31,874,929	36,776,625
<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	6,794,324	11,157,347
- Foreign currencies to deliver	6,754,288	11,173,412
<b>Commitments on term financial instruments</b>	<b>16,654,103</b>	<b>9,222,017</b>
<b>Other commitments</b>		
<b>Claims from legal cases</b>	<b>-</b>	<b>-</b>
<b>Fiduciary accounts</b>	<b>3,480,840</b>	<b>2,944,813</b>
- Under specific instructions	3,456,768	2,919,307
- Under discretionary investments	24,072	25,506
<b>Assets under management</b>	<b>16,125,629</b>	<b>13,548,832</b>
<b>Mutual funds</b>	<b>76,526</b>	<b>73,892</b>
<b>Structured financial products</b>	<b>-</b>	<b>-</b>
<b>Engagement unlikely to be executed</b>	<b>-</b>	<b>-</b>
<b>Bad debts written off during the year</b>	<b>113,517</b>	<b>4,968</b>

	30/9/2018 LBP Million	31/12/2017 LBP Million
<b>LIABILITIES</b>		
Due to central banks	10,809,070	3,971,498
Due to banks and financial institutions and repurchase agreement	2,486,573	2,845,095
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	755,436	205,384
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	45,951,734	49,677,857
Deposits from related parties	601,731	750,222
Debt issued and other borrowed funds	64,896	-
Engagements by acceptances	377,362	226,896
Other liabilities	495,470	588,685
Provisions for risks and charges	384,358	141,731
Subordinated loans and similar debts	1,231,393	1,235,268
Non-current liabilities held for sale	-	-
<b>TOTAL LIABILITIES</b>	<b>63,158,023</b>	<b>59,642,636</b>
<b>Shareholders' Equity - Group share</b>		
Share capital - Common shares	667,581	664,783
Share capital - Preferred shares	10,020	12,472
Issue premium - Common shares	883,582	883,582
Issue premium - Preferred shares	894,480	1,118,153
Subsidiary shares warrants	12,629	12,629
Share capital and cash contribution to capital	72,586	72,586
Non-distributable reserves	1,915,235	1,719,917
Distributable reserves	430,681	430,592
Treasury shares	(8,343)	(94,532)
Retained earnings	1,424,337	1,249,004
Proposed dividends	-	-
Revaluation reserve of real estate	357,137	357,137
Reserve on revaluation of financial assets at fair value through other comprehensive income	(2,320)	877
Reserve for cash flow hedges	13,723	-
Remeasurement actuarial (gain)/Loss on defined benefit plan	(12,807)	(12,807)
Share of associates' other comprehensive income under equity method	5,463	4,546
Foreign currency translation reserve	(1,732,096)	(1,277,774)
Net (loss) gain on hedge of net investments in foreign entities	-	(11,724)
Result of the period	604,442	811,217
<b>Shareholders' equity - Group share</b>	<b>5,536,330</b>	<b>5,940,658</b>
<b>Non-controlling interest</b>	<b>234,321</b>	<b>372,603</b>
<b>Total shareholders' equity</b>	<b>5,770,651</b>	<b>6,313,261</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>68,928,674</b>	<b>65,955,897</b>



# CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/9/2018 LBP Million	30/9/2017 LBP Million
Interest and similar income	3,436,171	3,185,068
Interest and similar expense	(2,074,649)	(1,967,643)
<b>Net interest margin</b>	<b>1,361,522</b>	<b>1,217,425</b>
Fee and commission income	285,086	332,325
Fee and commission expense	(39,029)	(61,823)
<b>Net fee and commission income</b>	<b>246,057</b>	<b>270,502</b>
Net gain on financial assets or liabilities at fair value through profit and loss	92,765	135,235
Of which: interest income	8,354	52,282
Net gain on financial investments	16,313	34,460
Other operating income	21,126	59,573
<b>Total operating income</b>	<b>1,737,783</b>	<b>1,717,195</b>
Net provisions for credit losses	(189,910)	(188,471)
<b>Net operating income</b>	<b>1,547,873</b>	<b>1,528,724</b>
Personnel expenses	(423,042)	(478,409)
Other operating expenses	(275,334)	(332,316)
Depreciation of property and equipment	(46,547)	(55,780)
Amortisation of intangible assets	(17,033)	(17,168)
Impairment on goodwill and investments	-	-
<b>Total of operating expenses</b>	<b>(761,956)</b>	<b>(883,673)</b>
<b>Operating profit</b>	<b>785,917</b>	<b>645,051</b>
Share of profit of associates under equity method	1,944	2,528
Net gain (loss) on disposal of other asset	213	895
<b>Profit before tax</b>	<b>788,074</b>	<b>648,474</b>
Income tax	(170,482)	(133,831)
<b>Profit after tax</b>	<b>617,592</b>	<b>514,643</b>
Result of discontinued operations, net of tax	-	143,654
<b>Profit for the period</b>	<b>617,592</b>	<b>658,297</b>
<b>Minority share profit for the period</b>	<b>13,150</b>	<b>22,541</b>
<b>Group share profit for the period</b>	<b>604,442</b>	<b>635,756</b>
Basic earnings per share LBP	1,406	1,541
Basic earnings per share from continuing operations LBP	1,406	1,172

## 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