

2018

**AMONG THE TOP REGIONAL
BANKING GROUPS**

USD 45.7 billion in total
assets as at 30/9/2018

consolidated activity highlights

IN US DOLLARS

AT END-SEPTEMBER 2018

Bank Audi

- USD 30.9 billion of total customers' deposits
- USD 13.7 billion of total loans to customers
- USD 3.8 billion of total shareholders' equity
- USD 410 million 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
- USD 132 million 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
- USD 258 million 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 USD Thousands	31/12/2017 USD Thousands
ASSETS		
Cash and balances with central banks	15,295,350	13,165,412
Due from banks and financial institutions	1,553,658	965,010
Due from head office, sister, related banks and financial institutions	-	-
Loans to banks and financial institutions and reverse repurchase agreements	159,777	801,682
Financial assets given as collateral	-	-
Derivative financial instruments	599,056	264,069
Shares and participations at fair value through profit and loss	64,700	40,484
Debt instruments and other similar financial assets at fair value through profit and loss	205,502	951,522
Of which: net loans and advances at fair value through profit and loss	23,039	31,614
Net loans and advances to customers at amortised cost	13,556,470	16,186,257
Net loans and advances to related parties at amortised cost ⁽¹⁾	122,222	107,339
Debtors by acceptances	250,323	150,512
Debt instruments classified at amortised cost ⁽²⁾	12,111,515	9,832,401
Shares and participations at fair value through other comprehensive income	69,935	104,827
Debt instruments and other similar financial assets at fair value through other comprehensive income	549,957	-
Investments in associates	98,566	89,192
Assets taken in settlement of debts	116,258	95,561
Property and equipment	567,273	586,666
Intangible fixed assets	43,958	50,576
Non-current assets held for sale	-	-
Other assets	330,519	331,995
Goodwill	28,791	28,334
TOTAL ASSETS	45,723,830	43,751,839

⁽¹⁾ Loans granted to related parties against cash collateral amounted to USD 83 million.

⁽²⁾ Includes an amount of USD 1,228 million with risk ceded to customers.

	30/9/2018 USD Thousands	31/12/2017 USD Thousands
OFF-BALANCE SHEET		
Financing commitments		
- Financing commitments given to banks and financial institutions	314,140	499,080
- Financing commitments given to customers	3,260,068	3,305,167
Bank guarantees		
- Guarantees given to banks and financial institutions	68,887	147,759
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	196,180	818,986
Of which: credit derivatives	-	-
- Guarantees given to customers	1,320,089	1,493,460
- Guarantees received from customers	21,144,231	24,395,771
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	4,507,014	7,401,225
- Foreign currencies to deliver	4,480,456	7,411,882
Commitments on term financial instruments	11,047,498	6,117,424
Other commitments		
Claims from legal cases		
Fiduciary accounts	2,309,015	1,953,441
- Under specific instructions	2,293,047	1,936,522
- Under discretionary investments	15,968	16,919
Assets under management	10,696,935	8,987,616
Mutual funds	50,764	49,016
Structured financial products		
Engagement unlikely to be executed	-	-
Bad debts written off during the year	75,302	3,296

	30/9/2018 USD Thousands	31/12/2017 USD Thousands
LIABILITIES		
Due to central banks	7,170,196	2,634,492
Due to banks and financial institutions and repurchase agreement	1,649,468	1,887,294
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	501,119	136,242
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	30,482,079	32,953,802
Deposits from related parties	399,158	497,660
Debt issued and other borrowed funds	43,049	-
Engagements by acceptances	250,323	150,512
Other liabilities	328,670	390,504
Provisions for risks and charges	254,963	94,017
Subordinated loans and similar debts	816,845	819,415
Non-current liabilities held for sale	-	-
TOTAL LIABILITIES	41,895,870	39,563,938
Shareholders' Equity - Group share		
Share capital - Common shares	442,840	440,984
Share capital - Preferred shares	6,647	8,274
Issue premium - Common shares	586,124	586,124
Issue premium - Preferred shares	593,353	741,726
Subsidiary shares warrants	8,377	8,377
Share capital and cash contribution to capital	48,150	48,150
Non-distributable reserves	1,270,471	1,140,907
Distributable reserves	285,692	287,022
Treasury shares	(5,534)	(62,708)
Retained earnings	944,833	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	(1,539)	582
Reserve for cash flow hedges	9,103	-
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	(1,148,986)	(847,612)
Net (loss) gain on hedge of net investments in foreign entities	-	(7,777)
Result of the period	400,956	538,121
Shareholders' equity - Group share	3,672,523	3,940,735
Non-controlling interest	155,437	247,166
Total shareholders' equity	3,827,960	4,187,901
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	45,723,830	43,751,839



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/9/2018 USD Thousands	30/9/2017 USD Thousands
Interest and similar income	2,279,384	2,112,815
Interest and similar expense	(1,376,218)	(1,305,236)
Net interest margin	903,166	807,579
Fee and commission income	189,112	220,448
Fee and commission expense	(25,890)	(41,010)
Net fee and commission income	163,222	179,438
Net gain on financial assets or liabilities at fair value through profit and loss	61,535	89,708
Of which: interest income	5,541	34,681
Net gain on financial investments	10,821	22,859
Other operating income	14,014	39,518
Total operating income	1,152,758	1,139,102
Net provisions for credit losses	(125,976)	(125,022)
Net operating income	1,026,782	1,014,080
Personnel expenses	(280,625)	(317,352)
Other operating expenses	(182,642)	(220,442)
Depreciation of property and equipment	(30,877)	(37,002)
Amortisation of intangible assets	(11,299)	(11,389)
Impairment on goodwill and investments	-	-
Total of operating expenses	(505,443)	(586,185)
Operating profit	521,339	427,895
Share of profit of associates under equity method	1,290	1,677
Net gain (loss) on disposal of other asset	141	594
Profit before tax	522,770	430,166
Income tax	(113,090)	(88,778)
Profit after tax	409,680	341,388
Result of discontinued operations, net of tax	-	95,293
Profit for the period	409,680	436,681
Minority share profit for the period	8,724	14,952
Group share profit for the period	400,956	421,729
Basic earnings per share USD	0.93	1.02
Basic earnings per share from continuing operations USD	0.93	0.78

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- AUDI CAPITAL (KSA) cjsc
- BANK AUDI LLC (Qatar)
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