

2018

**AMONG THE TOP REGIONAL
BANKING GROUPS**

LBP 71,192 billion in total
assets as at 31/12/2018

consolidated activity highlights

IN LEBANESE POUNDS

AT END-DECEMBER 2018

Bank Audi

- **LBP 48,173 billion of total customers' deposits**
- **LBP 19,996 billion of total loans to customers**
- **LBP 4,671 billion of common shareholders' equity** and **LBP 5,856 billion** of total shareholders' equity
- **LBP 755 billion of net profits in 2018**, increasing by **8%** relative to 2017
- **LBP 191 billion of net profits generated from entities abroad**, after the allocation of Odea Bank's net operating results to provisions

Main Financial Indicators

- **80.4% of primary liquidity to customers' deposits ratio**
- **11.3% of CET1 ratio as per Basel III** and **18.8%** of total capital adequacy ratio
- **5.5% of gross NPLs to gross loans ratio post adoption of IFRS 9**, amid a contraction by **17.7%** of gross loans
- **1.9% coverage of credit risk-weighted assets by collective provisions**, rising to **2.5%** when including excess provisions booked under provisions for risks and charges
- **14.0% of return on average common equity**

A UNIVERSAL AND INNOVATIVE BANKING OFFERING CATERING
TO 1.1 MILLION CUSTOMERS SERVED THROUGH 201 BRANCHES
AND 6,300 EMPLOYEES IN 11 COUNTRIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	31/12/2018 LBP Million	31/12/2017 LBP Million
ASSETS		
Cash and balances with central banks	24,793,682	19,846,859
Due from banks and financial institutions	3,843,626	1,454,753
Due from head office, sister, related banks and financial institutions	-	-
Loans to banks and financial institutions and reverse repurchase agreements	266,645	1,208,536
Financial assets given as collateral	-	-
Derivative financial instruments	463,609	398,084
Shares and participations at fair value through profit and loss	107,030	61,030
Debt instruments and other similar financial assets at fair value through profit and loss	130,656	1,434,420
Of which: net loans and advances at fair value through profit and loss	37,233	47,658
Net loans and advances to customers at amortised cost	19,842,278	24,400,781
Net loans and advances to related parties at amortised cost ⁽¹⁾	153,671	161,814
Debtors by acceptances	414,625	226,896
Debt instruments classified at amortised cost ⁽²⁾	17,986,233	14,822,345
Shares and participations at fair value through other comprehensive income	67,916	158,027
Debt instruments and other similar financial assets at fair value through other comprehensive income	1,183,950	-
Investments in associates	147,478	134,457
Assets taken in settlement of debts	193,721	144,058
Property and equipment	877,701	884,400
Intangible fixed assets	68,476	76,243
Non-current assets held for sale	-	-
Other assets	608,431	500,481
Goodwill	42,413	42,713
TOTAL ASSETS	71,192,141	65,955,897

⁽¹⁾ Loans granted to related parties against cash collateral amounted to LBP 107 billion.

⁽²⁾ Includes an amount of LBP 1,492 billion with risk ceded to customers.

	31/12/2018 LBP Million	31/12/2017 LBP Million
OFF-BALANCE SHEET		
Financing commitments		
- Financing commitments given to banks and financial institutions	420,241	752,363
- Financing commitments given to customers	4,756,412	4,982,539
Bank guarantees		
- Guarantees given to banks and financial institutions	94,674	222,747
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	337,394	1,234,621
Of which: credit derivatives	-	-
- Guarantees given to customers	2,049,663	2,251,391
- Guarantees received from customers	34,394,371	36,776,625
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	7,830,409	11,157,347
- Foreign currencies to deliver	7,861,941	11,173,412
Commitments on term financial instruments	12,173,399	9,222,017
Other commitments		
Claims from legal cases	-	-
Fiduciary accounts	3,097,180	2,944,813
- Under specific instructions	3,027,838	2,919,307
- Under discretionary investments	69,342	25,506
Assets under management	15,230,861	13,548,832
Mutual funds	61,666	73,892
Structured financial products	-	-
Engagement unlikely to be executed	-	-
Bad debts written off during the year	122,028	4,968

	31/12/2018 LBP Million	31/12/2017 LBP Million
LIABILITIES		
Due to central banks	11,919,990	3,971,498
Due to banks and financial institutions and repurchase agreement	2,184,991	2,845,095
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	452,113	205,384
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	47,777,071	49,677,857
Deposits from related parties	396,114	750,222
Debt issued and other borrowed funds	59,258	-
Engagements by acceptances	414,625	226,896
Other liabilities	559,783	588,685
Provisions for risks and charges	338,106	141,731
Subordinated loans and similar debts	1,234,431	1,235,268
Non-current liabilities held for sale	-	-
TOTAL LIABILITIES	65,336,482	59,642,636
Shareholders' Equity - Group share		
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	1,920,095	1,719,917
Distributable reserves	430,685	430,592
Treasury shares	(9,073)	(94,532)
Retained earnings	1,256,853	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	(9,295)	877
Reserve for cash flow hedges	(19,391)	-
Remeasurement actuarial (gain)/Loss on defined benefit plan	(13,030)	(12,807)
Share of associates' other comprehensive income under equity method	5,463	4,546
Foreign currency translation reserve	(1,575,286)	(1,277,774)
Net (loss) gain on hedge of net investments in foreign entities	-	(11,724)
Result of the year	753,260	811,217
Shareholders' equity - Group share	5,638,296	5,940,658
Non-controlling interest	217,363	372,603
Total shareholders' equity	5,855,659	6,313,261
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	71,192,141	65,955,897



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	2018 LBP Million	2017 LBP Million
Interest and similar income	4,867,032	4,276,300
Less: tax on interest income	(146,112)	(18,832)
Interest and similar income, net of tax	4,720,920	4,257,468
Interest and similar expense	(2,973,394)	(2,655,435)
Net interest margin	1,747,526	1,602,033
Fee and commission income	388,074	441,600
Fee and commission expense	(55,737)	(75,793)
Net fee and commission income	332,337	365,807
Net gain on financial assets or liabilities at fair value through profit and loss	123,521	99,182
Of which: interest income	9,413	80,892
Net gain on financial investments	16,564	41,561
Other operating income	31,512	163,918
Total operating income	2,251,460	2,272,501
Net provisions for credit losses	(271,848)	(221,335)
Net operating income	1,979,612	2,051,166
Personnel expenses	(550,771)	(627,553)
Other operating expenses	(400,996)	(436,062)
Depreciation of property and equipment	(61,397)	(74,397)
Amortisation of intangible assets	(22,541)	(22,968)
Impairment on goodwill and investments	-	-
Total of operating expenses	(1,035,705)	(1,160,980)
Operating profit	943,907	890,186
Share of profit of associates under equity method	831	3,047
Net gain (loss) on disposal of other asset	436	734
Profit before tax	945,174	893,967
Income tax	(190,584)	(194,737)
Profit after tax	754,590	699,230
Result of discontinued operations, net of tax	-	143,394
Profit for the year	754,590	842,624
Minority share profit for the year	1,330	31,407
Group share profit for the year	753,260	811,217
Basic earnings per share LBP	1,739	1,919
Basic earnings per share from continuing operations LBP	1,739	1,550

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