

2018

**AMONG THE TOP REGIONAL  
BANKING GROUPS**

USD 47.2 billion in total  
assets as at 31/12/2018

# consolidated activity highlights

IN US DOLLARS

AT END-DECEMBER 2018

## Bank Audi

- **USD 32.0 billion of total customers' deposits**
- **USD 13.3 billion of total loans to customers**
- **USD 3.1 billion of common shareholders' equity** and **USD 3.9 billion** of total shareholders' equity
- **USD 501 million of net profits in 2018**, increasing by **8%** relative to 2017
- **USD 127 million 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 USD Thousands	31/12/2017 USD Thousands
<b>ASSETS</b>		
Cash and balances with central banks	16,446,887	13,165,412
Due from banks and financial institutions	2,549,669	965,010
Due from head office, sister, related banks and financial institutions	-	-
Loans to banks and financial institutions and reverse repurchase agreements	176,879	801,682
Financial assets given as collateral	-	-
Derivative financial instruments	307,535	264,069
Shares and participations at fair value through profit and loss	70,998	40,484
Debt instruments and other similar financial assets at fair value through profit and loss	86,671	951,522
Of which: net loans and advances at fair value through profit and loss	24,699	31,614
Net loans and advances to customers at amortised cost	13,162,373	16,186,257
Net loans and advances to related parties at amortised cost <sup>(1)</sup>	101,938	107,339
Debtors by acceptances	275,041	150,512
Debt instruments classified at amortised cost <sup>(2)</sup>	11,931,166	9,832,401
Shares and participations at fair value through other comprehensive income	45,052	104,827
Debt instruments and other similar financial assets at fair value through other comprehensive income	785,373	-
Investments in associates	97,829	89,192
Assets taken in settlement of debts	128,505	95,561
Property and equipment	582,223	586,666
Intangible fixed assets	45,423	50,576
Non-current assets held for sale	-	-
Other assets	403,604	331,995
Goodwill	28,135	28,334
<b>TOTAL ASSETS</b>	<b>47,225,301</b>	<b>43,751,839</b>

<sup>(1)</sup> Loans granted to related parties against cash collateral amounted to USD 71 million.

<sup>(2)</sup> Includes an amount of USD 990 million with risk ceded to customers.

	31/12/2018 USD Thousands	31/12/2017 USD Thousands
<b>OFF-BALANCE SHEET</b>		
<b>Financing commitments</b>		
- Financing commitments given to banks and financial institutions	278,767	499,080
- Financing commitments given to customers	3,155,165	3,305,167
<b>Bank guarantees</b>		
- Guarantees given to banks and financial institutions	62,802	147,759
Of which: credit derivatives	-	-
- Guarantees received from banks and financial institutions	223,810	818,986
Of which: credit derivatives	-	-
- Guarantees given to customers	1,359,644	1,493,460
- Guarantees received from customers	22,815,503	24,395,771
<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	5,194,301	7,401,225
- Foreign currencies to deliver	5,215,218	7,411,882
<b>Commitments on term financial instruments</b>	<b>8,075,223</b>	<b>6,117,424</b>
<b>Other commitments</b>		
<b>Claims from legal cases</b>		
<b>Fiduciary accounts</b>	<b>2,054,514</b>	<b>1,953,441</b>
- Under specific instructions	2,008,516	1,936,522
- Under discretionary investments	45,998	16,919
<b>Assets under management</b>	<b>10,103,390</b>	<b>8,987,616</b>
<b>Mutual funds</b>	<b>40,906</b>	<b>49,016</b>
<b>Structured financial products</b>		
Engagement unlikely to be executed	-	-
<b>Bad debts written off during the year</b>	<b>80,947</b>	<b>3,296</b>

	31/12/2018 USD Thousands	31/12/2017 USD Thousands
<b>LIABILITIES</b>		
Due to central banks	7,907,124	2,634,492
Due to banks and financial institutions and repurchase agreement	1,449,414	1,887,294
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	299,909	136,242
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits	31,692,916	32,953,802
Deposits from related parties	262,762	497,660
Debt issued and other borrowed funds	39,309	-
Engagements by acceptances	275,041	150,512
Other liabilities	371,331	390,504
Provisions for risks and charges	224,283	94,017
Subordinated loans and similar debts	818,860	819,415
Non-current liabilities held for sale	-	-
<b>TOTAL LIABILITIES</b>	<b>43,340,949</b>	<b>39,563,938</b>
<b>Shareholders' Equity - Group share</b>		
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	1,273,695	1,140,907
Distributable reserves	285,695	287,022
Treasury shares	(6,019)	(62,708)
Retained earnings	833,734	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	(6,166)	582
Reserve for cash flow hedges	(12,863)	-
Remeasurement actuarial (gain)/Loss on defined benefit plan	(8,643)	(8,495)
Share of associates' other comprehensive income under equity method	3,624	3,016
Foreign currency translation reserve	(1,044,966)	(847,612)
Net (loss) gain on hedge of net investments in foreign entities	-	(7,777)
Result of the year	499,675	538,121
<b>Shareholders' equity - Group share</b>	<b>3,740,164</b>	<b>3,940,735</b>
<b>Non-controlling interest</b>	<b>144,188</b>	<b>247,166</b>
<b>Total shareholders' equity</b>	<b>3,884,352</b>	<b>4,187,901</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>47,225,301</b>	<b>43,751,839</b>



# CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	2018 USD Thousands	2017 USD Thousands
Interest and similar income	3,228,545	2,833,619
Less: tax on interest income	(96,923)	(12,492)
Interest and similar income, net of tax	3,131,622	2,821,127
Interest and similar expense	(1,972,400)	(1,761,482)
<b>Net interest margin</b>	<b>1,159,222</b>	<b>1,059,645</b>
Fee and commission income	257,429	292,935
Fee and commission expense	(36,973)	(50,277)
<b>Net fee and commission income</b>	<b>220,456</b>	<b>242,658</b>
Net gain on financial assets or liabilities at fair value through profit and loss	81,937	63,439
Of which: interest income	6,244	53,659
Net gain on financial investments	10,988	29,923
Other operating income	20,903	110,841
<b>Total operating income</b>	<b>1,493,506</b>	<b>1,506,506</b>
Net provisions for credit losses	(180,330)	(143,759)
<b>Net operating income</b>	<b>1,313,176</b>	<b>1,362,747</b>
Personnel expenses	(365,354)	(418,393)
Other operating expenses	(266,001)	(289,262)
Depreciation of property and equipment	(40,727)	(49,351)
Amortisation of intangible assets	(14,953)	(15,236)
Impairment on goodwill and investments	-	-
<b>Total of operating expenses</b>	<b>(687,035)</b>	<b>(772,242)</b>
<b>Operating profit</b>	<b>626,141</b>	<b>590,505</b>
Share of profit of associates under equity method	551	2,021
Net gain (loss) on disposal of other asset	289	487
<b>Profit before tax</b>	<b>626,981</b>	<b>593,013</b>
Income tax	(126,424)	(129,179)
<b>Profit after tax</b>	<b>500,557</b>	<b>463,834</b>
Result of discontinued operations, net of tax	-	95,121
<b>Profit for the year</b>	<b>500,557</b>	<b>558,955</b>
<b>Minority share profit for the year</b>	<b>882</b>	<b>20,834</b>
<b>Group share profit for the year</b>	<b>499,675</b>	<b>538,121</b>
Basic earnings per share USD	1.15	1.27
Basic earnings per share from continuing operations USD	1.15	1.03

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