

Bank Audi

Among the Top Regional Banking Groups
Well Positioned in Main Countries of Presence



Consolidated Activity Highlights as at End-December 2015

Financial Standing Driven by Diversified Sources of Assets and Profits

- **USD 42.3 billion of total assets**, of which **49%** from entities outside Lebanon and **33%** in investment grade countries
- **USD 35.6 billion of total customers' deposits**
- **USD 17.9 billion of loans to customers**
- **USD 3.3 billion of shareholders' equity**
- **USD 403 million of net profits in 2015**, growing by **15.1%** relative to 2014, of which **44%** from entities outside Lebanon

Financial Standing Indicators

- **46.1%** of primary liquidity to customers' deposits ratio
- **13.4%** of capital adequacy ratio as per Basel III
- **2.9%** only of gross doubtful loans to gross loans ratio, reaching **0.9%** when deducting specific loan loss reserves, excluding collective provisions
- **13.6%** of return on average common equity

Universal Banking Offering through 11 Banks
and 3 Financial Companies in 12 Countries

Bank Audi

Consolidated Statement of Financial Position (Unaudited)

(LBP Million)

ASSETS	31/12/2015	31/12/2014
Cash and balances with Central Banks	13,754,922	13,247,387
Deposits with banks and financial institutions	2,704,430	3,608,892
Loans to banks and financial institutions and reverse repurchase agreements	2,585,553	2,928,743
Due from head office, sister, related banks and financial institutions	-	-
Financial assets given as collateral	-	-
Derivative financial instruments	265,863	197,127
Shares and participations at fair value through profit and loss	59,292	58,170
Debt instruments and other similar financial assets at fair value through profit and loss	302,245	458,652
<i>Of which: Net advances and loans at fair value through profit and loss</i>	-	12,043
Net loans and advances to customers at amortized cost (1)	26,834,992	25,775,338
Net loans and advances to related parties at amortized cost (2)	214,552	110,007
Debtors by acceptances	240,605	340,480
Debt instruments classified at amortized cost (3)	14,784,574	14,573,743
Shares and participations at fair value through other comprehensive income	144,375	135,706
Investments in associates	13,989	27,762
Assets taken in settlement of debts	72,779	18,510
Property and equipment	963,331	948,541
Intangible fixed assets	114,997	92,652
Non current assets held for sale	-	-
Other assets	469,891	536,536
Goodwill	198,880	197,473
Total assets	63,725,270	63,255,719

(1) After deduction of provisions amounting to LBP 689,100 million from loans and advances to customers as per IAS 39, of which LBP 244,559 million representing provisions on collective assessment .

(2) Loans granted to related parties against cash collateral amounted to LBP 153,383 million.

(3) Includes an amount of LBP 2,332 billion with risk ceded to customers.

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Consolidated Statement of Financial Position (Unaudited)

(LBP Million)

LIABILITIES	31/12/2015	31/12/2014
Due to Central Banks	569,856	438,385
Due to banks and financial institutions and repurchase agreement	2,340,565	1,785,794
Due to head office, sister, related banks and financial institutions	-	-
Financial assets taken as a guarantee	-	-
Derivative financial instruments	131,199	116,303
Financial liabilities at fair value through profit and loss	-	-
Of which: deposits at fair value through profit and loss	-	-
Customers' deposits at amortized cost	52,969,286	53,413,209
Deposits from related parties at amortized cost	711,710	586,621
Debt issued and other borrowed funds	80,353	89,528
Engagements by acceptances	240,605	340,480
Other liabilities	581,408	519,980
Provisions for risks and charges	162,929	153,961
Subordinated loans and similar debts	973,629	764,927
Non current liabilities held for sale	-	-
Total liabilities	58,761,540	58,209,188
Shareholders' Equity - Group share		
Share capital - Common shares	661,985	659,586
Share capital - Preferred shares	6,210	8,250
Issue premium - Common shares	883,582	883,582
Issue premium - Preferred shares	559,102	745,500
Subsidiary shares warrants	17,145	17,195
Share Capital and Cash contribution to capital	72,586	72,586
Non distributable reserves	1,179,217	1,050,579
Distributable reserves	642,867	616,976
Treasury shares	-	(4,929)
Retained earnings	673,239	599,388
Proposed dividends	-	-
Revaluation reserve of real estate	360,488	353,974
Reserve on revaluation of financial assets at fair value through other comprehensive income	36,211	27,527
Remeasurement actuarial (gain)/Loss on defined benefit plan	(5,592)	(13,155)
Share of associates' other comprehensive income under equity method	4,546	4,546
Foreign currency translation reserve	(708,848)	(552,183)
Net (loss) gain on hedge of net investments in foreign entities	(65,613)	348
Result of the current Period	582,558	513,500
Shareholders' Equity _ Group Share	4,899,683	4,983,270
Non Controlling Interest	64,047	63,261
Total shareholders' equity	4,963,730	5,046,531
Total liabilities and shareholders' equity	63,725,270	63,255,719

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(LBP Million)

Consolidated Off Balance Sheet (Unaudited)	31/12/2015	31/12/2014
Financing commitments		
Financing commitments given to banks and financial institutions	548,320	706,121
Financing commitments given to customers	5,222,427	4,615,772
Bank guarantees		
Guarantees given to banks and financial institutions	246,125	385,315
Of which: credit derivatives	-	-
Guarantees received from banks and financial institutions	2,604,351	3,162,128
Of which: credit derivatives	-	-
Guarantees given to customers	2,529,315	2,302,773
Guarantees received from customers	31,860,938	25,405,355
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	7,123,043	5,049,267
Foreign currencies to deliver	7,215,797	5,053,068
Commitments on term financial instruments	9,599,732	10,411,834
Other Commitments	-	-
Claims from legal cases	-	-
Fiduciary accounts	2,255,152	1,727,524
Under specific instructions	1,963,991	1,427,779
Under discretionary investments	291,161	299,745
Assets under management	12,185,015	12,933,370
Mutual funds	407,021	561,719
Structured financial products	-	-
Engagement unlikely to be executed	-	-
Bad debts written off during the year	35,046	13,676

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(LBP Million)

Consolidated Income statement (unaudited)	2015	2014
Interest and similar income	3,771,787	3,401,120
Interest and similar expense	(2,307,795)	(2,150,881)
Net interest margin	1,463,992	1,250,239
Fee and commission income	507,069	458,795
Fee and commission expense	(100,404)	(85,356)
Net Fee and commission Income	406,665	373,439
Net gain on financial assets or liabilities at fair value through profit and loss	1,783	52,189
Of which: interest income	25,745	18,683
Net gain on financial investments	224,801	294,146
Other operating Income	26,244	23,307
Total operating income	2,123,485	1,993,320
Net provisions for credit losses	(200,009)	(209,748)
Net Operating income	1,923,476	1,783,572
Personnel expenses	(636,289)	(632,571)
Other operating expenses	(406,760)	(374,789)
Depreciation of property and equipment	(74,413)	(64,674)
Amortization of intangible assets	(28,827)	(23,602)
Impairment of goodwill	(5,457)	(3,015)
Total Operating Expenses	(1,151,746)	(1,098,651)
Operating Profit	771,730	684,921
Share of profit of associates under equity method	3,307	373
Net gain (loss) on disposal of other asset	(626)	816
Profit before tax	774,411	686,110
Income tax	(166,684)	(158,025)
Profit after tax	607,727	528,085
Result of discontinued operations, net of tax	-	40
Profit for the current period	607,727	528,125
Minority Share Profit for the current period	25,169	14,625
Group Share Profit for the current period	582,558	513,500
Basic earnings per share LBP	1,374	1,297
Basic earnings per share from continuing operations LBP	1,374	1,297