

| Listed Securities | Bloomberg Ticker | Sector | Industry | Market Cap. (USD mn) | Last Price (*) | YTD % | 52-Week Range | FFA Recommendation | FFA Fair Value | Disc./Prem. to Fair Value | Div. Yield % | Div. Per Share | Div. Payout Ratio | Diluted EPS (**) | YoY EPS Growth % (**) | FFA EPS 2017e | BVPS (**) | FFA BVPS 2017e | P/E | P/E 2017e | P/B | P/B 2017e | Est. ROE % (**) |
|---------------------------------------|------------------|-------------|-------------------------------|----------------------|----------------|-------|---------------|--------------------|----------------|---------------------------|--------------|----------------|-------------------|------------------|-----------------------|---------------|-----------|----------------|------|-----------|-----|-----------|-----------------|
| Coverage Universe | | | | | | | | | | | | | | | | | | | | | | | |
| BANK AUDI | AUDI LB | Financials | Commercial Banks | 2,538.4 | 6.35 | -6.6 | 5.85-6.97 | Marketweight | 7.00 | -9% | 7.9 | 0.50 | 48% | 1.05 | 12.7 | 1.18 | 7.38 | 8.00 | 6.0 | 5.4 | 0.9 | 0.8 | 13.2 |
| BLOM BANK | BLOM LB | Financials | Commercial Banks | 2,300.5 | 10.70 | 0.9 | 9.90-12.10 | Overweight | 12.50 | -14% | 9.3 | 1.00 | 44% | 2.28 | 18.1 | 2.30 | 13.12 | 13.73 | 4.7 | 4.7 | 0.8 | 0.8 | 16.5 |
| BYBLOS BANK | BYB LB | Financials | Commercial Banks | 989.7 | 1.75 | 2.9 | 1.60-1.75 | Marketweight | 1.55 | 13% | 7.6 | 0.13 | 58% | 0.23 | 14.8 | 0.19 | 2.50 | 2.52 | 7.6 | 9.2 | 0.7 | 0.7 | 9.0 |
| SOLIDERE - A | SOLA LB | Financials | Real Estate Management & Dev. | 1,402.5 | 8.50 | -23.2 | 7.40-12.48 | Marketweight | 9.50 | -11% | 1.2 | 0.10 | 23% | 0.44 | 244.4 | 0.23 | 12.19 | 12.56 | 19.3 | 39.0 | 0.7 | 0.7 | 1.8 |
| SOLIDERE - B | SOLB LB | | | | 8.50 | -23.2 | 7.96-12.32 | | | | | | | | | | | | | | | | |
| Other Lebanese Listed Equities | | | | | | | | | | | | | | | | | | | | | | | |
| BANK OF BEIRUT | BOB LB | Financials | Commercial Banks | 948.8 | 18.80 | 0.0 | 18.76-18.80 | Not Covered | N/C | N/C | 3.2 | 0.60 | 20% | 2.93 | -1.9 | N/C | 29.69 | N/C | 6.4 | N/C | 0.6 | N/C | 10.8 |
| BLC BANK | BLC LB | Financials | Commercial Banks | 211.0 | 0.99 | 0.0 | 0.99-1.69 | Not Covered | N/C | N/C | 8.7 | 0.09 | N/A | 0.00 | -99.9 | N/C | 2.59 | N/C | N/A | N/C | 0.4 | N/C | 7.5 |
| BEMO BANK | BEMO LB | Financials | Commercial Banks | 125.4 | 1.70 | 0.0 | 1.40-1.75 | Not Covered | N/C | N/C | 2.3 | 0.04 | 16% | 0.25 | 17.8 | N/C | 2.31 | N/C | 6.7 | N/C | 0.7 | N/C | 11.4 |
| HOLCIM (LIBAN) | HOLC LB | Materials | Const. Materials | 235.9 | 12.09 | 2.9 | 10.28-15.87 | Not Covered | N/C | N/C | 7.0 | 0.85 | 87% | 0.98 | 14.5 | N/C | N/A | N/C | 12.3 | N/C | N/A | N/C | N/A |
| CIMENTS BLANCS BEARER | CBB LB | Materials | Const. Materials | 23.6 | 3.14 | -3.4 | 2.20-3.25 | Not Covered | N/C | N/C | 11.5 | 0.30 | 76% | 0.40 | 5.0 | N/C | 1.95 | N/C | 6.6 | N/C | 1.3 | N/C | 20.6 |
| CIMENTS BLANCS NOMINAL | CBN LB | | | | 1.57 | 0.0 | 1.57-3.10 | | | | | | | | | | | | | | | | |
| RASAMNY-YOUNIS MOTOR | RYM LB | Cons. Disc. | Specialty Retail | 88.7 | 3.25 | 0.0 | 3.23-3.25 | Not Covered | N/C | N/C | 3.4 | 0.11 | 50% | 0.22 | 101.4 | N/C | 1.91 | N/C | 14.7 | N/C | 1.7 | N/C | 9.5 |

N/A: Not Available, N/C: Not Covered

Source: FFA Private Bank, Company Reports, BSE website, Bloomberg

Market close on April 28, 2017

Currency: USD

(*) - Listed shares market price

(**) - Diluted EPS, EPS growth and ROE for covered companies are TTM, to common and based on latest reported results

- BVPS for covered companies is to common and based on latest reported results

- Diluted EPS, EPS growth, BVPS, and ROE for non-covered companies are from Bloomberg and may not refer to common

- Bank Audi dividends of USD 0.50 (gross of tax) were approved by AGM and paid on 18/04/17

- Blom Bank dividends of USD 1.00 (gross of tax) were approved by AGM and paid on 13/04/17

- Byblos Bank approved dividends of USD 0.13 (gross of tax), ex-dividend 02/05/17, record 04/05/17, payment 05/05/17

INVESTMENT OPINION:

Bank Audi

We value Bank Audi's domestic leadership, asset quality and margins, and expect investors to gain confidence in its growth plan as higher quality earnings accelerate and risk diversifies away from its domestic market

Bank Audi is the largest Alpha bank in Lebanon in terms of balance sheet size with a demonstrated franchise and the confidence of its clients in Lebanon and abroad. We value its fundamentals mainly from the preservation of its asset quality and interest margins as well as an ambitious expansion strategy in Turkey that is materializing into assets diversifying away from Lebanon's risk and towards gradually higher margins and trade finance driving higher quality core income despite some room for improvement on Tier 1 capital. We continue to rate Bank Audi shares at Marketweight although we see upside on account of: i) Turkey expansion with balance sheet expected to increase from one-quarter to one-third of total balance sheet by M-T ii) Egypt balance sheet expansion potentially reaching USD 10 billion by M-T iii) international expansion coupled with continued growth in domestic market should drive assets to target USD 55 billion by M-T, which on improved profitability should accelerate earnings and diversify risk.

Blom Bank

We view Blom Bank's higher returns and solid liquidity and capitalization levels as a reflection of a prudent management team and highlight the Bank's ability to propose higher dividends on account of lower than average payouts and excess capital buffers

We recognize Blom Bank's solid positioning in its domestic market. We highlight the firm's conservative strategy focusing on preserving asset quality and higher capitalization ratios which translates in lower cost of risk and excess common equity Tier 1 capital respectively. We highlight Blom Bank's superior profitability and return ratios relative to its domestic peers from relatively higher margins and operating efficiencies, despite sizeable liquidity buffers. We also value Blom Bank's higher quality core income which translates into steady earnings growth while dividends should continue to benefit from lower than average payouts and above average excess Tier 1 common equity capital.

Byblos Bank

While we like Byblos Bank's solid domestic retail franchise with strong risk management practices, we believe additional value could be generated for investors by providing additional visibility on its growth plan via geographic diversification and new business segments

We recognize Byblos Bank's position in its domestic retail market as well as its capacity to show sizeable liquidity buffers and superior asset/liability management practices, a validation of management's risk practices although at the detriment of profitability ratios. We also recognize the firm's leadership at better managing its asset/liability mismatch with the issuance of costlier longer term liabilities. We believe Byblos Bank's shares could generate more value once the firm provides visibility on its business plan. We favor further efforts towards both organic and inorganic growth targeting geographical expansion and new business segments with focus on new markets and private banking/asset management which would respectively improve interest margins and core income.

Solidere

We remain cautious on Solidere shares given lack of visibility on cashflow for the medium term as renewed sense of optimism following recent political developments has yet to translate into increased land sales

We maintain our cautious view on shares given lack of visibility on cashflow for the medium term as renewed sense of optimism front recent political developments has yet to translate into increased demand for high-end real estate. A reactivation of political institutions through parliamentary elections and budget ratification should lead to a more stable political and macro environment which would attract foreign investors and tourism to Lebanon. Longer term, we believe Solidere should benefit from renewed investor interest in the Lebanese high-end property market through rebound in land sales and as the company resumes completion of developed properties and infrastructure projects in the pipeline.

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