

| 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 2016e | BVPS (**) | FFA BVPS 2016e | P/E | P/E 2016e | P/B | P/B 2016e | Est. ROE % (**) |
|---------------------------------------|------------------|-------------|-------------------------------|----------------------|----------------|-------|---------------|--------------------|----------------|---------------------------|--------------|----------------------|-------------------|------------------|-----------------------|---------------|-----------|----------------|-----|-----------|------|-----------|-----------------|
| Coverage Universe | | | | | | | | | | | | | | | | | | | | | | | |
| BANK AUDI | AUDI LB | Financials | Commercial Banks | 2,358.5 | 5.90 | -2.5 | 5.50-6.30 | Marketweight | 7.00 | -16% | 6.8 | 0.40 | 43% | 0.92 | 7.0 | 1.05 | 7.37 | 7.85 | 6.4 | 5.6 | 0.80 | 0.75 | 12.3 |
| BLOM BANK | BLOM LB | Financials | Commercial Banks | 2,141.4 | 9.96 | 6.0 | 9.38-10.61 | Overweight | 11.50 | -13% | 8.3 | 0.83 | 43% | 1.93 | 3.8 | 1.93 | 11.71 | 12.54 | 5.2 | 5.2 | 0.85 | 0.79 | 15.7 |
| BYBLOS BANK | BYB LB | Financials | Commercial Banks | 933.1 | 1.65 | 2.5 | 1.48-1.72 | Marketweight | 1.60 | 3% | 8.0 | 0.13 | 66% | 0.20 | -8.1 | 0.22 | 2.30 | 2.38 | 8.3 | 7.5 | 0.72 | 0.69 | 9.5 |
| SOLIDERE - A | SOLA LB | Financials | Real Estate Management & Dev. | 1,638.4 | 9.91 | -10.4 | 8.14-11.98 | Marketweight | 11.00 | -10% | 1.0 | 0.10 | N/A | N/A | N/A | 0.45 | 12.01 | 12.76 | N/A | 22.1 | 0.83 | 0.78 | -4.3 |
| SOLIDERE - B | SOLB LB | | | | 9.96 | -10.0 | 8.00-11.75 | | | | | | | | | | | | | | | | |
| Other Lebanese Listed Equities | | | | | | | | | | | | | | | | | | | | | | | |
| BEMO BANK | BEMO LB | Financials | Commercial Banks | 128.5 | 1.75 | -7.9 | 1.55-1.90 | Not Covered | N/C | N/C | 1.9 | 0.03 | 15% | 0.22 | 18.7 | N/C | 2.16 | N/C | 8.1 | N/C | 0.81 | N/C | 10.3 |
| BANK OF BEIRUT | BOB LB | Financials | Commercial Banks | 946.8 | 18.76 | -0.2 | 18.10-18.80 | Not Covered | N/C | N/C | 3.2 | 0.60 | 20% | 2.99 | 2.3 | N/C | 25.89 | N/C | 6.3 | N/C | 0.72 | N/C | 12.2 |
| BLC BANK | BLC LB | Financials | Commercial Banks | 258.1 | 1.69 | -0.6 | 1.69-1.70 | Not Covered | N/C | N/C | 5.1 | 0.09 | 31% | 0.28 | N/A | N/C | 2.27 | N/C | 6.0 | N/C | 0.74 | N/C | N/A |
| RASAMNY-YOUNIS MOTOR | RYM LB | Cons. Disc. | Specialty Retail | 88.2 | 3.23 | 0.0 | 3.23-3.23 | Not Covered | N/C | N/C | 2.8 | 0.09 | N/A | N/A | N/A | N/C | 1.81 | N/C | N/A | N/C | 1.79 | N/C | N/A |
| HOLCIM (LIBAN) | HOLC LB | Materials | Const. Materials | 282.2 | 14.46 | -0.4 | 14.01-16.18 | Not Covered | N/C | N/C | 10.3 | 1.49 | N/A | N/A | N/A | N/C | N/A | N/C | N/A | N/C | N/A | N/C | N/A |
| CIMENTS BLANCS BEARER | CBB LB | Materials | Const. Materials | 27.3 | 3.00 | -23.1 | 3.00-4.00 | Not Covered | N/C | N/C | 11.3 | 0.34 | 86% | 0.40 | 5.0 | N/C | 1.95 | N/C | 7.7 | N/C | 1.55 | N/C | 20.6 |
| CIMENTS BLANCS NOMINAL | CBN LB | | | | 3.10 | 0.0 | 2.75-3.10 | | | | | | | | | | | | | | | | |

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

Market close on May 31, 2016

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 0.40 (gross of 5% tax) were approved by AGM and paid on 14/04/16

BLOM Bank dividends of USD 0.83 (gross of 5% tax) were approved by AGM and paid on 21/04/16

Byblos Bank dividends of USD 0.13 (gross of 5% tax) were approved by AGM and paid on 05/05/16

Solidere AGM set for 06/06/16 to approve resolutions including dividend program which was at USD 0.10 in 2015

INVESTMENT OPINION:

Bank Audi

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

Bank Audi is the largest bank in Lebanon with a demonstrated franchise and the confidence of its clients in Lebanon and abroad. In light of difficult operating conditions, 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, comfortable cost of risk and improved CAR levels. We continue to rate Bank Audi shares at Marketweight although 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 60 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 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

We recognize Blom Bank’s solid positioning in its domestic market. We highlight the firm’s conservative strategy translating into 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. In the short-term, we look to the prudent management team to continue to focus on asset quality in light of difficult operations and further develop its regional presence. We value the Bank’s ability to steadily grow earnings while dividends should continue to benefit from lower than average payouts.

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 as business plan visibility and cost-efficiencies improve

We recognize Byblos Bank’s position in its domestic retail market and solid fundamentals benefiting from sizeable liquidity buffers, strong capitalization and superior asset/liability management practices, a validation of management’s risk practices although at the detriment to 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 as it relates to its business line and geographic diversification and possible redeployment of excess capital back to shareholders.

Solidere

We remain cautious in the shorter term against an uncertain political and economic backdrop impacting the property market and investor sentiment, although still recognizing value for long term investors

We remain cautious on Solidere shares, on concerns that the short/medium term will remain challenging, as land sales remain the key revenue and cash flow driver. We also note disappointing results in revenue diversification to offset the depletion of the land bank, partly from slower than expected rental income expansion and recent wind down of hospitality business. Longer term, we still recognize unlocked value in Solidere for patient investors from a rebound in land sales, the completion of the real estate pipeline and the waterfront infrastructure providing additional value to the BCD. Solidere shares represent a vote of confidence on Lebanon and as such are subject to sentiment swings from the reaction to political concerns materializing into slower operations and weakened investor sentiment.

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