

## Consolidated Financial Highlights<sup>(1)</sup>

IN US DOLLARS

AT END-DECEMBER 2020

### Unprecedented Tough Operating Environment in Lebanon

- Persisting excessive uncertainties arising from a lasting financial crisis for 16 months, amid continuing absence of a clear national recovery plan.
- Exacerbated by the COVID-19 pandemic, the explosion of the Beirut port, deepening recession, hyperinflation, the multitude of exchange rates underscoring a future change in the official exchange rate and/or alternative legal exchange mechanism.
- Preventing Management from estimating in a true and fair manner and as per IFRS the adverse impact of those matters on the Bank's financial position and equity, which it anticipates to be material.
- As a result, the external auditors expressed an adverse opinion on the 2020 financial statements.

### Measures Taken to Consolidate the Bank's Financial Position and Standing

- USD 209 million capital increase effected in February 2020.
- Sale of the Group's entities in Egypt, Jordan and Iraq.
- USD 609 million of normalised net profits generated in 2020, turning into a consolidated net loss of USD -145 million after accounting certain impairments and other adjustments tied to the crisis.

USD 35.4  
billion of total  
assets

USD 21.5  
billion of  
customers'  
deposits

USD 6.1  
billion of net  
loans

USD 3 billion  
of shareholders'  
equity

<sup>(1)</sup>Disclaimer: the figures below were published to comply with regulatory publishing requirements for listed banks operating in Lebanon. They should not be relied upon for decision-making, and they should be read in conjunction with the full set of financial statements and related disclosures as published on the Bank's website (please refer to the 2020 Annual Report).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)

	31/12/2020 USD Thousands	31/12/2019 USD Thousands
<b>ASSETS</b>		
Cash and balances with central banks	12,926,176	15,369,499
Due from banks and financial institutions	1,438,115	1,444,714
Loans to banks and financial institutions and reverse repurchase agreements	175,288	464,648
Derivative financial instruments	145,154	192,984
Shares and participations at fair value through profit or loss	36,078	44,495
Debt instruments and other similar financial assets at fair value through profit or loss	224,000	208,296
Of which: loans and advances at fair value through profit or loss	4,726	12,044
Shares and participations at fair value through other comprehensive income	43,592	45,626
Debt instruments and other similar financial assets at fair value through other comprehensive income	963,621	720,472
Loans and advances to customers at amortised cost	6,064,578	10,256,498
Loans and advances to related parties at amortised cost <sup>(1)</sup>	71,774	93,193
Debtors by acceptances	11,869	436,205
Debt instruments classified at amortised cost <sup>(2)</sup>	5,165,833	8,171,770
Investments in associates	75,571	80,358
Property and equipment and right-of-use assets	421,843	661,483
Intangible assets	53,785	76,381
Assets taken in settlement of debts	134,766	192,364
Assets held for sale	6,297,278	-
Other assets	1,153,630	1,048,088
Goodwill	28,115	28,141
<b>TOTAL ASSETS</b>	<b>35,431,066</b>	<b>39,535,215</b>

<sup>(1)</sup> Loans granted to related parties against cash collateral amounted to USD 6 million.

<sup>(2)</sup> Includes an amount of USD 153 million with risk ceded to customers.

	31/12/2020 USD Thousands	31/12/2019 USD Thousands
<b>OFF-BALANCE SHEET</b>		
<b>Financing commitments</b>		
Financing commitments given to banks and financial institutions	133,900	440,229
Financing commitments given to customers	1,410,811	2,569,438
<b>Bank guarantees</b>		
Guarantees given to banks and financial institutions	16,419	60,957
Guarantees received from banks and financial institutions	81,778	436,241
Guarantees given to customers	708,411	1,204,978
Guarantees received from customers	16,031,139	20,780,524
<b>Foreign currencies forwards</b>		
Foreign currencies to receive	3,326,375	5,089,974
Foreign currencies to deliver	3,391,138	5,079,485
<b>Commitments on term financial instruments</b>	<b>4,145,134</b>	<b>3,685,854</b>
<b>Fiduciary accounts</b>	<b>1,146,540</b>	<b>2,274,057</b>
Under specific instructions	1,141,335	2,246,341
Under discretionary investments	5,205	27,716
<b>Assets under management</b>	<b>7,579,621</b>	<b>10,548,358</b>
<b>Mutual funds</b>	<b>25,536</b>	<b>67,267</b>
<b>Bad debts written off during the year</b>	<b>341,030</b>	<b>10,728</b>

	31/12/2020 USD Thousands	31/12/2019 USD Thousands
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Due to central banks	2,669,524	3,749,229
Due to banks and financial institutions and repurchase agreements	1,007,743	1,061,010
Derivative financial instruments	296,380	246,834
Customers' deposits	21,420,030	29,410,653
Deposits from related parties	108,139	183,290
Debt issued and other borrowed funds	76,675	127,735
Engagements by acceptances	11,869	436,205
Other liabilities	352,251	435,335
Provisions for risks and charges	99,900	118,620
Subordinated loans and similar debts	797,496	796,735
Liabilities related to assets held for sale	5,640,200	-
<b>TOTAL LIABILITIES</b>	<b>32,480,207</b>	<b>36,565,646</b>
<b>Shareholders' equity - Group share</b>		
Share capital - common shares	651,979	442,840
Share capital - preferred shares	6,647	6,647
Issue premium - common shares	598,534	586,124
Issue premium - preferred shares	593,353	593,353
Share capital and cash contribution to capital	48,150	48,150
Non-distributable reserves	1,465,778	1,343,417
Distributable reserves	11,456	287,268
Treasury shares	(6,096)	(6,096)
Retained earnings	509,114	972,994
Revaluation reserve of real estate	223,588	224,228
Other components of equity	(7,868)	(1,258)
Foreign currency translation reserves	(715,525)	(1,053,871)
Other components of equity related to assets held for sale	(389,968)	-
Result of the year	(149,351)	(605,093)
<b>Shareholders' equity - Group share</b>	<b>2,839,791</b>	<b>2,838,703</b>
<b>Non-controlling interests</b>	<b>111,068</b>	<b>130,866</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,950,859</b>	<b>2,969,569</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>35,431,066</b>	<b>39,535,215</b>



# CONSOLIDATED INCOME STATEMENT (AUDITED)

	2020 USD Thousands	2019 USD Thousands
Interest and similar income	2,166,466	2,847,255
Less: tax on interest income	(179,678)	(155,980)
Interest and similar income, net of tax	1,986,788	2,691,275
Interest and similar expense	(1,105,652)	(1,759,370)
<b>Net interest income</b>	<b>881,136</b>	<b>931,905</b>
Fee and commission income	140,397	177,011
Fee and commission expense	(660,395)	(34,470)
<b>Net fee and commission</b>	<b>(519,998)</b>	<b>142,541</b>
Net gain (loss) on financial assets at fair value through profit and loss	223,077	(8,075)
Of which: interest income	2,336	1,413
Net loss on financial investments	(92,530)	(117)
Other operating income	18,142	14,546
<b>Total operating income</b>	<b>509,827</b>	<b>1,080,800</b>
Net impairment loss on financial assets	(174,254)	(1,211,485)
<b>Net operating income</b>	<b>337,908</b>	<b>(130,685)</b>
Personnel expenses	(270,231)	(282,146)
Other operating expenses	(152,650)	(178,442)
Depreciation of property and equipment and right-of-use assets	(42,825)	(48,299)
Amortisation of intangible assets	(14,355)	(12,927)
Losses on non-current assets held for sale	(308)	(10,297)
<b>Total operating expenses</b>	<b>(480,369)</b>	<b>(532,111)</b>
<b>Operating loss</b>	<b>(144,796)</b>	<b>(662,796)</b>
Share of profit of associates under equity method	219	6,153
Net gain (loss) on disposal of fixed assets	7	(3,499)
<b>Loss before tax</b>	<b>(144,570)</b>	<b>(660,142)</b>
Income tax	(66,717)	(32,487)
<b>Loss after tax</b>	<b>(211,287)</b>	<b>(692,629)</b>
Result of discontinued operations, net of tax	66,504	90,514
<b>Loss for the year</b>	<b>(144,783)</b>	<b>(602,115)</b>
<b>Non-controlling interest</b>	<b>4,568</b>	<b>2,978</b>
<b>Equity holders of the parent</b>	<b>(149,351)</b>	<b>(605,093)</b>
<b>Basic and diluted loss per share USD</b>	<b>(0.27)</b>	<b>(1.52)</b>
<b>Basic and diluted loss per share from continuing operations USD</b>	<b>(0.40)</b>	<b>(1.68)</b>

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## Consolidated Financial Highlights<sup>(1)</sup>

IN LEBANESE POUNDS

AT END-DECEMBER 2020

### Unprecedented Tough Operating Environment in Lebanon

- Persisting excessive uncertainties arising from a lasting financial crisis for 16 months, amid continuing absence of a clear national recovery plan.
- Exacerbated by the COVID-19 pandemic, the explosion of the Beirut port, deepening recession, hyperinflation, the multitude of exchange rates underscoring a future change in the official exchange rate and/or alternative legal exchange mechanism.
- Preventing Management from estimating in a true and fair manner and as per IFRS the adverse impact of those matters on the Bank's financial position and equity, which it anticipates to be material.
- As a result, the external auditors expressed an adverse opinion on the 2020 financial statements.

### Measures Taken to Consolidate the Bank's Financial Position and Standing

- USD 209 million capital increase effected in February 2020.
- Sale of the Group's entities in Egypt, Jordan and Iraq.
- LBP 918 billion of normalised net profits generated in 2020, turning into a consolidated net loss of LBP -218 billion after accounting certain impairments and other adjustments tied to the crisis.

LBP 53,412  
billion of total  
assets

LBP 32,454  
billion of  
customers'  
deposits

LBP 9,251  
billion of net  
loans

LBP 4,448  
billion of  
shareholders'  
equity

<sup>(1)</sup>Disclaimer: the figures below were published to comply with regulatory publishing requirements for listed banks operating in Lebanon. They should not be relied upon for decision-making, and they should be read in conjunction with the full set of financial statements and related disclosures as published on the Bank's website (please refer to the 2020 Annual Report).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)

	31/12/2020 LBP Million	31/12/2019 LBP Million
<b>ASSETS</b>		
Cash and balances with central banks	19,486,210	23,169,519
Due from banks and financial institutions	2,167,959	2,177,906
Loans to banks and financial institutions and reverse repurchase agreements	264,246	700,457
Derivative financial instruments	218,820	290,924
Shares and participations at fair value through profit or loss	54,387	67,076
Debt instruments and other similar financial assets at fair value through profit or loss	337,680	314,006
Of which: loans and advances at fair value through profit or loss	7,124	18,157
Shares and participations at fair value through other comprehensive income	65,715	68,781
Debt instruments and other similar financial assets at fair value through other comprehensive income	1,452,658	1,086,112
Loans and advances to customers at amortised cost	9,142,352	15,461,671
Loans and advances to related parties at amortised cost <sup>(1)</sup>	108,200	140,489
Debtors by acceptances	17,892	657,579
Debt instruments classified at amortised cost <sup>(2)</sup>	7,787,493	12,318,944
Investments in associates	113,923	121,139
Property and equipment and right-of-use assets	635,928	997,186
Intangible assets	81,081	115,144
Assets taken in settlement of debts	203,160	289,989
Assets held for sale	9,493,147	-
Other assets	1,739,097	1,579,993
Goodwill	42,384	42,422
<b>TOTAL ASSETS</b>	<b>53,412,332</b>	<b>59,599,337</b>

<sup>(1)</sup> Loans granted to related parties against cash collateral amounted to LBP 9 billion.

<sup>(2)</sup> Includes an amount of LBP 231 billion with risk ceded to customers.

	31/12/2020 LBP Million	31/12/2019 LBP Million
<b>OFF-BALANCE SHEET</b>		
<b>Financing commitments</b>		
Financing commitments given to banks and financial institutions	201,855	663,645
Financing commitments given to customers	2,126,797	3,873,428
<b>Bank guarantees</b>		
Guarantees given to banks and financial institutions	24,751	91,892
Guarantees received from banks and financial institutions	123,281	657,633
Guarantees given to customers	1,067,930	1,816,504
Guarantees received from customers	24,166,942	31,326,640
<b>Foreign currencies forwards</b>		
Foreign currencies to receive	5,014,511	7,673,136
Foreign currencies to deliver	5,112,141	7,657,324
<b>Commitments on term financial instruments</b>	<b>6,248,790</b>	<b>5,556,425</b>
<b>Fiduciary accounts</b>	<b>1,728,409</b>	<b>3,428,141</b>
Under specific instructions	1,720,562	3,386,359
Under discretionary investments	7,847	41,782
<b>Assets under management</b>	<b>11,426,278</b>	<b>15,901,649</b>
<b>Mutual funds</b>	<b>38,495</b>	<b>101,405</b>
<b>Bad debts written off during the year</b>	<b>514,102</b>	<b>16,173</b>

	31/12/2020 LBP Million	31/12/2019 LBP Million
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Due to central banks	4,024,308	5,651,962
Due to banks and financial institutions and repurchase agreements	1,519,173	1,599,473
Derivative financial instruments	446,793	372,102
Customers' deposits	32,290,659	44,336,560
Deposits from related parties	163,019	276,310
Debt issued and other borrowed funds	115,588	192,561
Engagements by acceptances	17,892	657,579
Other liabilities	531,019	656,267
Provisions for risks and charges	150,599	178,819
Subordinated loans and similar debts	1,202,225	1,201,078
Liabilities related to assets held for sale	8,502,601	-
<b>TOTAL LIABILITIES</b>	<b>48,963,912</b>	<b>55,122,711</b>
<b>Shareholders' equity - Group share</b>		
Share capital - common shares	982,859	667,581
Share capital - preferred shares	10,020	10,020
Issue premium - common shares	902,290	883,582
Issue premium - preferred shares	894,480	894,480
Share capital and cash contribution to capital	72,586	72,586
Non-distributable reserves	2,209,661	2,025,201
Distributable reserves	17,270	433,057
Treasury shares	(9,190)	(9,190)
Retained earnings	767,489	1,466,788
Revaluation reserve of real estate	337,059	338,024
Other components of equity	(11,861)	(1,896)
Foreign currency translation reserve	(1,078,654)	(1,588,710)
Other components of equity related to assets held for sale	(587,877)	-
Result of the year	(225,147)	(912,177)
<b>Shareholders' equity - Group share</b>	<b>4,280,985</b>	<b>4,279,346</b>
<b>Non-controlling interests</b>	<b>167,435</b>	<b>197,280</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,448,420</b>	<b>4,476,626</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>53,412,332</b>	<b>59,599,337</b>



# CONSOLIDATED INCOME STATEMENT (AUDITED)

	2020 LBP Million	2019 LBP Million
Interest and similar income	3,265,948	4,292,237
Less: tax on interest income	(270,864)	(235,140)
Interest and similar income, net of tax	3,995,084	4,057,097
Interest and similar expense	(1,666,771)	(2,652,250)
<b>Net interest income</b>	<b>1,328,313</b>	<b>1,404,847</b>
Fee and commission income	24,648	266,844
Fee and commission expense	(995,546)	(51,964)
<b>Net fee and commission</b>	<b>(783,898)</b>	<b>214,880</b>
Net gain (loss) on financial assets at fair value through profit and loss	336,289	(12,173)
Of which: interest income	3,522	2,130
Net loss on financial investments	(139,489)	(177)
Other operating income	27,349	21,928
<b>Total operating income</b>	<b>768,564</b>	<b>1,629,305</b>
Net impairment loss on financial assets	(262,688)	(1,826,314)
<b>Net operating income</b>	<b>505,876</b>	<b>(197,009)</b>
Personnel expenses	(407,373)	(425,335)
Other operating expenses	(230,120)	(269,001)
Depreciation of property and equipment and right-of-use assets	(64,558)	(72,810)
Amortisation of intangible assets	(21,640)	(19,488)
Losses on non-current assets held for sale	(465)	(15,522)
<b>Total operating expenses</b>	<b>(724,156)</b>	<b>(802,156)</b>
<b>Operating loss</b>	<b>(218,280)</b>	<b>(999,165)</b>
Share of profit of associates under equity method	330	9,275
Net gain (loss) on disposal of fixed assets	10	(5,275)
<b>Loss before tax</b>	<b>(217,940)</b>	<b>(995,165)</b>
Income tax	(100,575)	(48,974)
<b>Loss after tax</b>	<b>(318,515)</b>	<b>(1,044,139)</b>
Result of discontinued operations, net of tax	100,255	136,451
<b>Loss for the year</b>	<b>(218,260)</b>	<b>(907,688)</b>
<b>Non-controlling interest</b>	<b>6,887</b>	<b>4,489</b>
Equity holders of the parent	(225,147)	(912,177)
<b>Basic and diluted loss per share LBP</b>	<b>(413)</b>	<b>(2,289)</b>
<b>Basic and diluted loss per share from continuing operations LBP</b>	<b>(596)</b>	<b>(2,631)</b>

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