

Consolidated Activity Highlights⁽¹⁾

IN US DOLLARS

AT END-JUNE 2021

- Persisting excessive uncertainties arising from a lasting financial crisis since 2019, amid continuing absence of a clear national recovery plan, preventing Management to estimate 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.
- A number of measures have been taken to reinforce the Bank's financial standing, of which most importantly the capital increase completed in 2020 and the sale of the operations in Jordan, Iraq and Egypt, and the investment in Syria. As a result, the Bank is in compliance with the regulatory requirement to increase its shareholders' equity by 20%, as requested by the Central Bank of Lebanon.
- Generation of an operating surplus that was fully allocated to loan loss allowances and to cover one-off losses tied to the crisis, within an adopted policy of allocation of all recurrent profits to provisions and to cover exceptional losses until the dissipation of uncertainties.

USD 28.0
billion of total
assets

USD 20.7
billion of
customers'
deposits

USD 5.6
billion of net
loans to
customers

USD 2.8
billion of
shareholders'
equity

(1) Disclaimer: the figures below were published to comply with regulator y 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 and to the Interim Report as at end-June 2021).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/6/2021 USD Thousands	31/12/2020 USD Thousands
ASSETS		
Cash and balances with central banks	12,163,784	12,926,176
Due from banks and financial institutions	1,931,966	1,438,115
Loans to banks and financial institutions and reverse repurchase agreements	142,729	175,288
Derivative financial instruments	121,292	145,154
Shares and participations at fair value through profit or loss	34,758	36,078
Debt instruments and other similar financial assets at fair value through profit or loss	166,862	224,000
Of which: loans and advances at fair value through profit or loss	-	4,726
Shares and participations at fair value through other comprehensive income	45,121	43,592
Debt instruments and other similar financial assets at fair value through other comprehensive income	941,823	963,621
Loans and advances to customers at amortised cost	5,516,547	6,064,578
Loans and advances to related parties at amortised cost ⁽¹⁾	53,264	71,774
Debtors by acceptances	13,881	11,869
Debt instruments classified at amortised cost ⁽²⁾	5,075,680	5,165,833
Investments in associates	55,108	75,571
Property and equipment and right-of-use assets	403,227	421,843
Intangible assets	47,515	53,785
Assets taken in settlement of debts	85,039	134,766
Assets held for sale	-	6,297,278
Other assets	1,178,332	1,153,630
Goodwill	28,125	28,115
TOTAL ASSETS	28,005,053	35,431,066

⁽¹⁾ Loans granted to related parties against cash collateral amounted to USD 4 million.

⁽²⁾ Includes an amount of USD 131 million with risk ceded to customers.

	30/6/2021 USD Thousands	31/12/2020 USD Thousands
OFF-BALANCE SHEET		
Financing commitments		
Financing commitments given to banks and financial institutions	194,921	133,900
Financing commitments given to customers	1,359,066	1,410,811
Bank guarantees		
Guarantees given to banks and financial institutions	98,312	16,419
Guarantees received from banks and financial institutions	33,038	81,778
Guarantees given to customers	697,783	708,411
Guarantees received from customers	15,135,471	16,031,139
Foreign currencies forwards		
Foreign currencies to receive	3,616,145	3,326,375
Foreign currencies to deliver	3,593,893	3,391,138
Commitments on term financial instruments	3,875,755	4,145,134
Fiduciary accounts	1,016,106	1,146,540
Under specific instructions	1,015,972	1,141,335
Under discretionary investments	134	5,205
Assets under management	7,948,125	7,579,621
Mutual funds	26,731	25,536
Bad debts written off during the year	-	341,030

	30/6/2021 USD Thousands	31/12/2020 USD Thousands
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Due to central banks	2,459,740	2,669,524
Due to banks and financial institutions and repurchase agreements	558,447	1,007,743
Derivative financial instruments	192,917	296,380
Customers' deposits	20,576,166	21,420,030
Deposits from related parties	125,585	108,139
Debt issued and other borrowed funds	61,489	76,675
Engagements by acceptances	13,881	11,869
Other liabilities	332,112	352,251
Provisions for risks and charges	128,489	99,900
Subordinated loans and similar debts	805,032	797,496
Liabilities related to assets held for sale	-	5,640,200
TOTAL LIABILITIES	25,253,858	32,480,207
Shareholders' equity - Group share		
Share capital - common shares	651,979	651,979
Share capital - preferred shares	6,647	6,647
Issue premium - common shares	598,534	598,534
Issue premium - preferred shares	593,353	593,353
Share capital and cash contribution to capital	48,150	48,150
Non-distributable reserves	1,239,830	1,465,778
Distributable reserves	327,267	11,456
Treasury shares	(6,096)	(6,096)
Retained earnings	(67,024)	509,114
Revaluation reserve of real estate	174,152	223,588
Other components of equity	(12,534)	(7,868)
Foreign currency translation reserve	(787,792)	(715,525)
Other components of equity related to assets held for sale	-	(389,968)
Result of the period	(109,195)	(149,351)
Shareholders' equity - Group share	2,657,271	2,839,791
Non-controlling interests	93,924	111,068
TOTAL SHAREHOLDERS' EQUITY	2,751,195	2,950,859
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28,005,053	35,431,066



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/6/2021 USD Thousands	30/6/2020 USD Thousands
Interest and similar income	926,545	1,202,513
Less: tax on interest income	(75,451)	(96,970)
Interest and similar income, net of tax	851,094	1,105,543
Interest and similar expense	(321,524)	(709,654)
Net interest income	529,570	395,889
Fee and commission income	73,312	76,356
Fee and commission expense	(90,151)	(190,455)
Net fee and commission (expense)	(16,839)	(114,099)
Net (loss) gain on financial assets at fair value through profit and loss	(439,718)	134,879
Of which: interest income	2,551	724
Net gain (loss) on financial investments	1,629	(9,426)
Other operating income	10,587	3,773
Total operating income	85,229	411,016
Net impairment loss on financial assets	(6,734)	(191,750)
Net operating income	78,495	219,266
Personnel expenses	(138,563)	(136,629)
Other operating expenses	(69,827)	(84,715)
Depreciation of property and equipment and right-of-use assets	(17,863)	(22,046)
Amortisation of intangible assets	(6,623)	(7,305)
Total operating expenses	(232,876)	(250,695)
Operating loss	(154,381)	(31,429)
Share of profit (loss) of associates under equity method	217	(472)
Net (loss) gain on disposal of fixed assets	(657)	69
Loss before tax	(154,281)	(31,832)
Income tax	(4,165)	(19,213)
Loss after tax	(158,986)	(51,045)
Result of discontinued operations, net of tax	52,309	51,045
Loss for the period	(106,677)	-
Non-controlling interest	2,518	2,354
Equity holders of the parent	(109,195)	(2,354)
Basic and diluted loss per share USD	(0.19)	-
Basic and diluted loss per share from continuing operations USD	(0.28)	(0.10)

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Consolidated Activity Highlights⁽¹⁾

IN LEBANESE POUNDS

AT END-JUNE 2021

- Persisting excessive uncertainties arising from a lasting financial crisis since 2019, amid continuing absence of a clear national recovery plan, preventing Management to estimate 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.
- A number of measures have been taken to reinforce the Bank's financial standing, of which most importantly the capital increase completed in 2020 and the sale of the operations in Jordan, Iraq and Egypt, and the investment in Syria. As a result, the Bank is in compliance with the regulatory requirement to increase its shareholders' equity by 20%, as requested by the Central Bank of Lebanon.
- Generation of an operating surplus that was fully allocated to loan loss allowances and to cover one-off losses tied to the crisis, within an adopted policy of allocation of all recurrent profits to provisions and to cover exceptional losses until the dissipation of uncertainties.

LBP 42,218
billion of
total assets

LBP 31,208
billion of
customers'
deposits

LBP 8,396
billion of net
loans to
customers

LBP 4,147
billion of
shareholders'
equity

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/6/2021 LBP Million	31/12/2020 LBP Million
ASSETS		
Cash and balances with central banks	18,336,905	19,486,210
Due from banks and financial institutions	2,912,438	2,167,959
Loans to banks and financial institutions and reverse repurchase agreements	215,164	264,246
Derivative financial instruments	182,847	218,820
Shares and participations at fair value through profit or loss	52,397	54,388
Debt instruments and other similar financial assets at fair value through profit or loss	251,544	337,679
Of which: loans and advances at fair value through profit or loss	-	7,124
Shares and participations at fair value through other comprehensive income	68,021	65,714
Debt instruments and other similar financial assets at fair value through other comprehensive income	1,419,797	1,452,659
Loans and advances to customers at amortised cost	8,316,194	9,142,352
Loans and advances to related parties at amortised cost ⁽¹⁾	80,296	108,200
Debtors by acceptances	20,925	17,892
Debt instruments classified at amortised cost ⁽²⁾	7,651,587	7,787,493
Investments in associates	83,075	113,923
Property and equipment and right-of-use assets	607,865	635,928
Intangible assets	71,629	81,081
Assets taken in settlement of debts	128,197	203,160
Assets held for sale	-	9,493,147
Other assets	1,776,335	1,739,097
Goodwill	42,398	42,384
TOTAL ASSETS	42,217,614	53,412,332

⁽¹⁾ Loans granted to related parties against cash collateral amounted to LBP 6 billion.

⁽²⁾ Includes an amount of LBP 198 billion with risk ceded to customers.

	30/6/2021 LBP Million	31/12/2020 LBP Million
OFF-BALANCE SHEET		
Financing commitments		
Financing commitments given to banks and financial institutions	293,843	201,855
Financing commitments given to customers	2,048,792	2,126,797
Bank guarantees		
Guarantees given to banks and financial institutions	148,206	24,751
Guarantees received from banks and financial institutions	49,805	123,281
Guarantees given to customers	1,051,908	1,067,930
Guarantees received from customers	22,816,722	24,166,942
Foreign currencies forwards		
Foreign currencies to receive	5,451,338	5,014,511
Foreign currencies to deliver	5,417,794	5,112,142
Commitments on term financial instruments	5,842,701	6,248,790
Fiduciary accounts	1,531,780	1,728,409
Under specific instructions	1,531,578	1,720,562
Under discretionary investments	202	7,847
Assets under management	11,981,798	11,426,278
Mutual funds	40,297	38,495
Bad debts written off during the year	-	514,102

	30/6/2021 LBP Million	31/12/2020 LBP Million
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Due to central banks	3,708,058	4,024,308
Due to banks and financial institutions and repurchase agreements	841,859	1,519,173
Derivative financial instruments	290,822	446,793
Customers' deposits	31,018,570	32,290,695
Deposits from related parties	189,320	163,019
Debt issued and other borrowed funds	92,695	115,588
Engagements by acceptances	20,925	17,892
Other liabilities	500,658	531,019
Provisions for risks and charges	193,697	150,599
Subordinated loans and similar debts	1,213,585	1,202,225
Liabilities related to assets held for sale	-	8,502,601
TOTAL LIABILITIES	38,070,189	48,963,912
Shareholders' equity - Group share		
Share capital - common shares	982,859	982,859
Share capital - preferred shares	10,020	10,020
Issue premium - common shares	902,290	902,290
Issue premium - preferred shares	894,480	894,480
Share capital and cash contribution to capital	72,586	72,586
Non-distributable reserves	1,869,043	2,209,661
Distributable reserves	493,355	17,270
Treasury shares	(9,190)	(9,190)
Retained earnings	(101,039)	767,489
Revaluation reserve of real estate	262,534	337,059
Other components of equity	(18,895)	(11,861)
Foreign currency translation reserve	(1,187,597)	(1,078,654)
Other components of equity related to assets held for sale	-	(587,877)
Result of the period	(164,612)	(225,147)
Shareholders' equity - Group share	4,005,834	4,280,985
Non-controlling interests	141,591	167,435
TOTAL SHAREHOLDERS' EQUITY	4,147,425	4,448,420
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	42,217,614	53,412,332



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/6/2021 LBP Million	30/6/2020 LBP Million
Interest and similar income	1,396,767	1,812,789
Less: tax on interest income	(113,742)	(146,183)
Interest and similar income, net of tax	1,283,025	1,666,606
Interest and similar expense	(484,697)	(1,069,804)
Net interest income	798,328	596,802
Fee and commission income	110,518	115,106
Fee and commission expense	(135,903)	(287,111)
Net fee and commission (expense)	(25,385)	(172,005)
Net (loss) gain on financial assets at fair value through profit and loss	(662,875)	203,330
Of which: interest income	3,845	1,092
Net gain (loss) on financial investments	2,456	(14,209)
Other operating income	15,960	5,688
Total operating income	128,484	619,606
Net impairment loss on financial assets	(10,151)	(289,063)
Net operating income	118,333	330,543
Personnel expenses	(208,884)	(205,968)
Other operating expenses	(105,264)	(127,708)
Depreciation of property and equipment and right-of-use assets	(26,928)	(33,234)
Amortisation of intangible assets	(9,984)	(11,013)
Total operating expenses	(351,060)	(377,923)
Operating loss	(232,727)	(47,380)
Share of profit (loss) of associates under equity method	327	(711)
Net (loss) gain on disposal of fixed assets	(990)	103
Loss before tax	(233,390)	(47,988)
Income tax	(6,278)	(28,963)
Loss after tax	(239,668)	(76,951)
Result of discontinued operations, net of tax	78,856	76,951
Loss for the period	(160,812)	-
Non-controlling interest	3,800	3,548
Equity holders of the parent	(164,612)	(3,548)
Basic and diluted loss per share LBP	(280)	-
Basic and diluted loss per share from continuing operations LBP	(415)	(145)

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