

Consolidated Activity Highlights⁽¹⁾

IN US DOLLARS

AT END-SEPTEMBER 2021

- Persisting excessive uncertainties arising from a lasting financial crisis since 2019, 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 outside Lebanon in Jordan, Iraq and Egypt. 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 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 20.8
billion of
customers'
deposits

USD 5.3
billion of net
loans to
customers

USD 2.7
billion of
shareholders'
equity

(1) 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 and to the Interim Report as at end-September 2021).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/9/2021 USD Thousands	31/12/2020 USD Thousands
ASSETS		
Cash and balances with central banks	12,308,208	12,926,176
Due from banks and financial institutions	1,965,236	1,438,115
Loans to banks and financial institutions and reverse repurchase agreements	112,366	175,288
Derivative financial instruments	111,531	145,154
Shares and participations at fair value through profit or loss	31,786	36,078
Debt instruments and other similar financial assets at fair value through profit or loss	164,522	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	41,189	43,592
Debt instruments and other similar financial assets at fair value through other comprehensive income	958,955	963,621
Loans and advances to customers at amortised cost	5,211,172	6,064,578
Loans and advances to related parties at amortised cost ⁽¹⁾	52,049	71,774
Debtors by acceptances	17,800	11,869
Debt instruments classified at amortised cost ⁽²⁾	5,115,406	5,165,833
Investments in associates	54,891	75,571
Property and equipment and right-of-use assets	392,158	421,843
Intangible assets	46,392	53,785
Assets taken in settlement of debts	103,268	134,766
Assets held for sale	-	6,297,278
Other assets	1,248,285	1,153,630
Goodwill	28,131	28,115
TOTAL ASSETS	27,963,345	35,431,066

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

⁽²⁾ Includes an amount of USD 103 million with risk ceded to customers.

	30/9/2021 USD Thousands	31/12/2020 USD Thousands
OFF-BALANCE SHEET		
Financing commitments		
Financing commitments given to banks and financial institutions	198,624	133,900
Financing commitments given to customers	2,263,723	1,410,811
Bank guarantees		
Guarantees given to banks and financial institutions	106,161	16,419
Guarantees received from banks and financial institutions	47,261	81,778
Guarantees given to customers	734,121	708,411
Guarantees received from customers	14,279,475	16,031,139
Foreign currencies forwards		
Foreign currencies to receive	3,298,670	3,326,375
Foreign currencies to deliver	3,260,913	3,391,138
Commitments on term financial instruments	3,797,982	4,145,134
Fiduciary accounts	952,753	1,146,540
Under specific instructions	949,476	1,141,335
Under discretionary investments	3,277	5,205
Assets under management	7,977,599	7,579,621
Mutual funds	31,514	25,536
Bad debts written off during the year	4,344	341,030

	30/9/2021 USD Thousands	31/12/2020 USD Thousands
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Due to central banks	2,417,816	2,669,524
Due to banks and financial institutions and repurchase agreements	562,498	1,007,743
Derivative financial instruments	189,365	296,380
Customers' deposits	20,730,778	21,420,030
Deposits from related parties	110,984	108,139
Debt issued and other borrowed funds	12,531	76,675
Engagements by acceptances	17,800	11,869
Other liabilities	249,656	352,251
Provisions for risks and charges	131,099	99,900
Subordinated loans and similar debts	808,515	797,496
Liabilities related to assets held for sale	-	5,640,200
TOTAL LIABILITIES	25,231,042	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	1,240,277	1,465,778
Distributable reserves	327,267	11,456
Treasury shares	(6,096)	(6,096)
Retained earnings	(70,582)	509,114
Revaluation reserve of real estate	173,798	223,588
Other components of equity	(12,349)	(7,868)
Foreign currency translation reserve	(799,633)	(715,525)
Other components of equity related to assets held for sale	-	(389,968)
Result of the period	(111,428)	(149,351)
Shareholders' equity - Group share	2,639,917	2,839,791
Non-controlling interests	92,386	111,068
TOTAL SHAREHOLDERS' EQUITY	2,732,303	2,950,859
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	27,963,345	35,431,066



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/9/2021 USD Thousands	30/9/2020 USD Thousands
Interest and similar income	1,370,863	1,738,201
Less: tax on interest income	(112,563)	(141,375)
Interest and similar income, net of tax	1,258,300	1,596,826
Interest and similar expense	(458,202)	(964,969)
Net interest income	800,098	631,857
Fee and commission income	123,104	108,312
Fee and commission expense	(119,481)	(423,525)
Net fee and commission income (expense)	3,623	(315,213)
Net (loss) gain on financial assets at fair value through profit and loss	(617,043)	84,435
Of which: interest income	2,512	1,491
Net (loss) gain on financial investments	(5,947)	21,055
Other operating income	22,198	9,315
Total operating income	202,929	431,449
Net impairment loss on financial assets	(7,442)	(109,996)
Net operating income	195,487	321,453
Personnel expenses	(205,788)	(202,852)
Other operating expenses	(107,594)	(113,845)
Depreciation of property and equipment and right-of-use assets	(26,628)	(32,834)
Amortisation of intangible assets	(9,865)	(10,874)
Total operating expenses	(349,875)	(360,405)
Operating loss	(154,388)	(38,952)
Share of profit (loss) of associates under equity method	-	(302)
Net (loss) gain on disposal of fixed assets	(809)	80
Loss before tax	(155,197)	(39,174)
Income tax	(4,440)	(31,645)
Loss after tax	(159,637)	(70,819)
Result of discontinued operations, net of tax	52,309	70,819
Loss for the period	(107,328)	-
Non-controlling interest	4,100	3,624
Equity holders of the parent	(111,428)	(3,624)
Basic and diluted loss per share USD	(0.19)	-
Basic and diluted loss per share from continuing operations USD	(0.28)	(0.14)

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Consolidated Activity Highlights⁽¹⁾

IN LEBANESE POUNDS

AT END-SEPTEMBER 2021

- Persisting excessive uncertainties arising from a lasting financial crisis since 2019, 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 outside Lebanon in Jordan, Iraq and Egypt. 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 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 42,155
billion of
total assets

LBP 31,419
billion of
customers'
deposits

LBP 7,934
billion of net
loans to
customers

LBP 4,119
billion of
shareholders'
equity

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30/9/2021 LBP Million	31/12/2020 LBP Million
ASSETS		
Cash and balances with central banks	18,554,624	19,486,210
Due from banks and financial institutions	2,962,594	2,167,959
Loans to banks and financial institutions and reverse repurchase agreements	169,392	264,246
Derivative financial instruments	168,133	218,820
Shares and participations at fair value through profit or loss	47,917	54,388
Debt instruments and other similar financial assets at fair value through profit or loss	248,017	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	62,093	65,714
Debt instruments and other similar financial assets at fair value through other comprehensive income	1,445,624	1,452,659
Loans and advances to customers at amortised cost	7,855,842	9,142,352
Loans and advances to related parties at amortised cost ⁽¹⁾	78,464	108,200
Debtors by acceptances	26,834	17,892
Debt instruments classified at amortised cost ⁽²⁾	7,711,475	7,787,493
Investments in associates	82,748	113,923
Property and equipment and right-of-use assets	591,178	635,928
Intangible assets	69,936	81,081
Assets taken in settlement of debts	155,676	203,160
Assets held for sale	-	9,493,147
Other assets	1,881,789	1,739,097
Goodwill	42,408	42,384
TOTAL ASSETS	42,154,744	53,412,332

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

⁽²⁾ Includes an amount of LBP 155 billion with risk ceded to customers.

	30/9/2021 LBP Million	31/12/2020 LBP Million
OFF-BALANCE SHEET		
Financing commitments		
Financing commitments given to banks and financial institutions	299,425	201,855
Financing commitments given to customers	3,412,562	2,126,797
Bank guarantees		
Guarantees given to banks and financial institutions	160,037	24,751
Guarantees received from banks and financial institutions	71,246	123,281
Guarantees given to customers	1,106,687	1,067,930
Guarantees received from customers	21,526,309	24,166,942
Foreign currencies forwards		
Foreign currencies to receive	4,972,745	5,014,511
Foreign currencies to deliver	4,915,827	5,112,142
Commitments on term financial instruments	5,725,458	6,248,790
Fiduciary accounts	1,436,275	1,728,409
Under specific instructions	1,431,335	1,720,562
Under discretionary investments	4,940	7,847
Assets under management	12,026,231	11,426,278
Mutual funds	47,507	38,495
Bad debts written off during the year	6,549	514,102

	30/9/2021 LBP Million	31/12/2020 LBP Million
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Due to central banks	3,644,857	4,024,308
Due to banks and financial institutions and repurchase agreements	847,966	1,519,173
Derivative financial instruments	285,468	446,793
Customers' deposits	31,251,648	32,290,695
Deposits from related parties	167,308	163,019
Debt issued and other borrowed funds	18,891	115,588
Engagements by acceptances	26,834	17,892
Other liabilities	376,356	531,019
Provisions for risks and charges	197,632	150,599
Subordinated loans and similar debts	1,218,837	1,202,225
Liabilities related to assets held for sale	-	8,502,601
TOTAL LIABILITIES	38,035,797	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	1,869,717	2,209,661
Distributable reserves	493,355	17,270
Treasury shares	(9,190)	(9,190)
Retained earnings	(106,403)	767,489
Revaluation reserve of real estate	262,001	337,059
Other components of equity	(18,616)	(11,861)
Foreign currency translation reserve	(1,205,447)	(1,078,654)
Other components of equity related to assets held for sale	-	(587,877)
Result of the period	(167,978)	(225,147)
Shareholders' equity - Group share	3,979,674	4,280,985
Non-controlling interests	139,273	167,435
TOTAL SHAREHOLDERS' EQUITY	4,118,947	4,448,420
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	42,154,744	53,412,332



CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	30/9/2021 LBP Million	30/9/2020 LBP Million
Interest and similar income	2,066,576	2,620,338
Less: tax on interest income	(169,688)	(213,123)
Interest and similar income, net of tax	1,896,888	2,407,215
Interest and similar expense	(690,740)	(1,454,691)
Net interest income	1,206,148	952,524
Fee and commission income	185,579	163,281
Fee and commission expense	(180,117)	(638,464)
Net fee and commission income (expense)	5,462	(475,183)
Net (loss) gain on financial assets at fair value through profit and loss	(930,193)	127,286
Of which: interest income	3,787	2,247
Net (loss) gain on financial investments	(8,965)	31,740
Other operating income	33,464	14,043
Total operating income	305,916	650,410
Net impairment loss on financial assets	(11,219)	(165,819)
Net operating income	294,697	484,591
Personnel expenses	(310,226)	(305,800)
Other operating expenses	(162,198)	(171,622)
Depreciation of property and equipment and right-of-use assets	(40,141)	(49,498)
Amortisation of intangible assets	(14,871)	(16,392)
Total operating expenses	(527,436)	(543,312)
Operating loss	(232,739)	(58,721)
Share of profit (loss) of associates under equity method	-	(455)
Net (loss) gain on disposal of fixed assets	(1,219)	121
Loss before tax	(233,958)	(59,055)
Income tax	(6,693)	(47,705)
Loss after tax	(240,651)	(106,760)
Result of discontinued operations, net of tax	78,856	106,760
Loss for the period	(161,795)	-
Non-controlling interest	6,183	5,463
Equity holders of the parent	(167,978)	(5,463)
Basic and diluted loss per share LBP	(280)	-
Basic and diluted loss per share from continuing operations LBP	(420)	(211)

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