

Bank Audi

**20
25** ANNUAL
REPORT



**Our Roots Run
Deep, Our Vision
Runs Farther.**

CHAIR'S STATEMENT

Dear stakeholders,

The year 2025 unfolded against a backdrop of continued economic, financial, and legal challenges affecting both Lebanon and its banking sector. These challenges extended into 2026 and were further compounded by the outbreak of war, the full implications of which on the economy and the banking sector remain uncertain. While discussions around sector restructuring continue and reform initiatives are being advanced, the operating environment remains complex and subject to evolving conditions.

Over the past years, the Bank has faced unprecedented challenges that have tested its resilience. Since my appointment as Chair of Bank Audi in January 2026, I have approached this responsibility with a deep sense of duty, fully aware of the constraints facing the Bank and the significant expectations that accompany this role. Despite the prolonged crisis and recent disruptions, I remain confident in the Bank's ability to build on the strong foundations that have historically defined its identity, supported by the continued engagement of our shareholders, correspondent banks, clients, regulators across our countries of presence and our dedicated teams.

Over recent years, Management's disciplined approach has enabled the Bank to navigate an exceptionally difficult environment and preserve its core strengths, positioning it with greater preparedness for the period ahead.

Looking forward, maintaining and strengthening trust across all stakeholders remains a foremost priority. This requires a continued commitment to transparency, accountability, and sound governance. In line with its responsibilities, the Board plays a central role in setting and steering the Group's strategic direction, with a clear focus on positioning the Bank to navigate effectively the forthcoming restructuring of the banking sector in Lebanon.

In this context, the Board will continue to fully assume its supervisory role, ensuring that decisions are supported by clear, comprehensive, and transparent information. Further strengthening the governance framework remains essential to the Bank's long-term sustainability and to its ability to attract new clients, partners, and investors.

As we move forward, we remain committed to navigating uncertainty with discipline and responsibility. Supported by the dedication of our teams, we are confident in our ability to reinforce confidence and lay the groundwork for a sustainable future.

On behalf of the Board, I would like to express my sincere appreciation to our customers, employees, shareholders, and partners for their continued trust and support.

Sherine R. Audi
Chair of the Board of Directors

GROUP CHIEF EXECUTIVE OFFICER'S LETTER

Dear stakeholders,

When I reflect on the year 2025, I see a period marked by progress and cautious optimism following several years of unprecedented disruption. While the operating environment remained complex, early signs of stabilization began to emerge in Lebanon, supported by improving political conditions, a gradual recovery in economic activity, and a measured normalization of operations.

However, this emerging momentum was disrupted by the resurgence of geopolitical tensions in early March 2026, heightening uncertainty. While key macroeconomic indicators had shown encouraging signs in 2025 — including a return to growth, strengthening external and fiscal balances, and a buildup in foreign currency reserves — this progress was interrupted in 2026 by the outbreak of war, the repercussions of which continue to weigh on the economic outlook and business environment.

Strategic Readiness and Disciplined Execution

Against this backdrop, our focus remained firmly anchored on navigating this transitional phase with discipline and clarity. Our strategic priorities continued to emphasize resilience, readiness, and selective growth—preserving financial strength while positioning the Group for the anticipated restructuring of the Lebanese banking sector.

Key milestones achieved in 2025 included the settlement with IFC and the successful completion of the divestment of Odea Bank. In parallel, we further strengthened our governance and risk management frameworks, while refining our operating model to enhance readiness for the sector's structural transformation.

Progress in Lebanon and Digital Transformation

In Lebanon, our approach remained deliberately measured. We continued to rebuild our balance sheet through fresh deposit inflows, while maintaining strong liquidity buffers and selectively reactivating lending. Our return to lending remains cautious yet progressive, guided by a disciplined risk framework. This approach enabled our Lebanese operations to improve their financial position and contribute almost half of consolidated net earnings in 2025.

Digital transformation remains a central pillar of our strategy in Lebanon. The continued expansion of our digital platform "neo" reflects our commitment to redefining the banking experience by providing seamless access to financial services anytime and anywhere. The platform has sustained strong growth, driven by increasing client adoption and engagement. This performance highlights not only robust demand for digital solutions, but also a structural shift toward a more scalable and client-centric banking model.

International Strength and Consolidated Performance

Our international operations continued to serve as a key source of diversification and stability. Bank Audi France delivered solid growth, while our private banking platform expanded client assets, supported by strong engagement and favorable market conditions, despite higher costs related to compliance and growth initiatives. In Saudi Arabia, Audi Capital completed its first full year following its strategic repositioning, contributing to the development of our wealth management franchise in the GCC.

At the consolidated level, Bank Audi Group recorded net profits of USD 83 million in 2025, generated almost equally by its operations in Lebanon and abroad. This follows the allocation of all operating profits denominated in non-fresh USD, along with part of fresh USD profits, to provisions for risks and charges. This prudent provisioning policy remains integral to strengthening the Bank's equity base and enhancing its capacity to absorb potential losses arising from the implementation of the Gap Law and the broader resolution framework.

Investing in Operational Resilience

Our continued investment in technology and infrastructure remains central to our transformation. Beyond digital banking, we have enhanced our core systems, strengthened cybersecurity frameworks, and reinforced operational resilience—ensuring the Group remains equipped to operate effectively in an increasingly demanding environment.

At the same time, we remain fully committed to our people, who are at the heart of our organization. Throughout 2025, we continued to invest in our human capital by adapting compensation structures, strengthening talent retention, and supporting our teams in a challenging environment. These efforts are essential to sustaining operational continuity and preparing the organization for the next phase of growth.

Outlook: Stronger Foundation for the Next Phase

Looking ahead, the trajectory of the financial sector will depend on sustained stability and the timely implementation of structural reforms, including the Gap Framework, which remains critical to unlocking the banking sector's potential.

Our priorities remain clear and unchanged: safeguarding liquidity, enhancing the quality of earnings, advancing our digital transformation, and maintaining rigorous standards in risk, governance, and compliance. In parallel, we will continue to selectively grow our core businesses and leverage our international footprint to support sustainable value creation.

Bank Audi enters this next phase with a stronger foundation, a clear strategic direction, and an unwavering commitment to supporting its clients and stakeholders.

On behalf of Management, I extend my sincere appreciation to our employees, clients, and shareholders. Your continued trust and support remain fundamental to our progress.

Khalil I. El Debs
Group Chief Executive Officer

MAIN FINANCIAL INDICATORS IN 2025

	2021	2022	2023	2024	2025	CAGR 21-25
Assets	26,857	26,926	18,566	16,749	15,122	-13.38%
Loans to customers	4,743	3,937	1,049	963	1,140	-29.97%
Customers' deposits	20,101	19,381	12,806	12,416	12,894	-10.51%
Shareholders' equity	2,492	4,017	1,738	1,039	1,159	-17.42%
Net earnings (loss)	-184	-435	0	0	83	
Normalized Net earnings ⁽¹⁾	722	683	234	183	152	-32.31%
Number of branches	115	112	91	84	43	-21.8%
Number of staff	3,176	3,059	3,136	2,805	1,612	-15.59%
Placements and loan quality						
Placements with Central Bank and banks ⁽²⁾ /Deposits	100.12%	88.58%	103.56%	105.35%	104.64%	
Loans to deposits	23.59%	20.32%	8.19%	7.75%	8.84%	
Credit-impaired/Gross loans ⁽³⁾	13.33%	14.78%	25.87%	20.90%	16.04%	
Loan loss provisions/Credit-impaired (including allowance for ECL Stages 1 & 2)	115.06%	88.27%	88.00%	94.67%	104.85%	
Loan loss provisions/Credit-impaired (including real guarantees and allowance for ECL Stages 1 & 2)	141.16%	103.59%	95.85%	104.33%	114.89%	
Net credit-impaired/Equity	9.98%	4.96%	4.13%	5.19%	0.21%	
Allowance for ECL Stages 1 & 2/Net loans	7.61%	3.07%	2.94%	3.76%	1.15%	
Capital adequacy						
Equity/Assets	9.28%	14.92%	9.37%	6.20%	7.66%	
Common equity Tier 1 ratio	10.04%	6.33%	8.46%	5.55%	7.72%	
Capital adequacy ratio	14.52%	9.81%	9.54%	7.43%	8.96%	
Profitability⁽¹⁾						
Cost to income	40.71%	49.02%	52.13%	48.17%	52.89%	
ROAA	2.38%	2.64%	1.22%	1.08%	1.00%	
ROACE	32.94%	40.99%	15.86%	18.35%	14.99%	

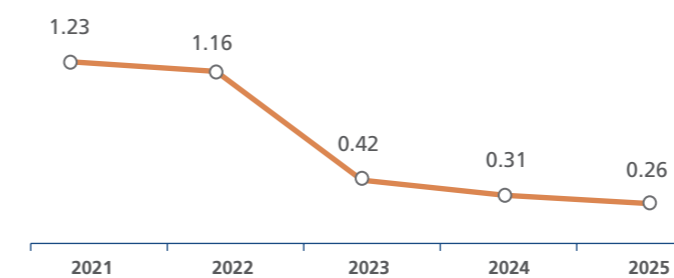
⁽¹⁾ Adjusted to the one-off flows from the outset of the financial crisis in Lebanon, excluding discontinued operations before allocation of provisions.

⁽²⁾ Including CDs.

⁽³⁾ After adoption of IFRS 9.

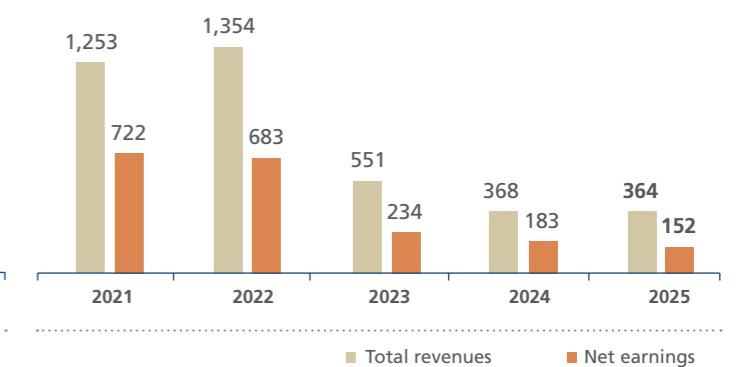
Common Earnings Per Share⁽¹⁾

(USD)



Revenues & Net Earnings⁽¹⁾

(USD Million)



⁽¹⁾ Adjusted to the one-offs flows from the outset of the financial crisis in Lebanon, excluding discontinued operations before allocation of provisions

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Corporate Governance



01

1.0. CORPORATE GOVERNANCE FRAMEWORK

INTRODUCTION

The Board of Directors of Bank Audi aims to achieve the Group's long-term success through the implementation of Governance practices that promote continuity, consistency, and effectiveness in the way the Board operates and governs the Bank.

In 2025, the Board maintained a heightened focus on the robustness and effectiveness of the Bank's control environment, with frequent engagement with control functions and relevant committees, alongside its role in policy setting and strategic guidance. Particular attention was given to the elevated risks arising from the fiscal and monetary crisis persisting since late 2019. In this context, the Board closely monitored key risk areas and management's response measures. Notwithstanding the challenging environment and

additional pressures encountered during the year, the Board remained actively engaged in safeguarding the Bank's integrity and ensuring that operations were conducted in compliance with applicable laws and regulations.

The Board is thus satisfied that, during the period under review, it fully discharged all its responsibilities, as mapped in its yearly rolling agenda, and acted on the recommendations of its committees in order to meet its obligations towards its shareholders and all other stakeholders. The Board is also satisfied that the Bank's Governance framework conforms to applicable directives and guidelines, and is adapted to the Bank's needs and to the high expectations of its stakeholders.

GOVERNANCE FRAMEWORK

Bank Audi is governed by a Board of Directors consisting of 7 members elected by the General Assembly of shareholders for terms not exceeding 3 years.

The roles of Chair of the Board and General Manager - Chief Executive Officer are distinct, ensuring a clear separation of oversight and executive responsibilities. The Board is led by a Non-Executive Chair, who oversees corporate governance, sets the Board agenda, and ensures its effective functioning and independence of judgement, while the General Manager - CEO is responsible for leading the Bank's management, executing its strategy, and overseeing the conduct of its affairs.

The responsibility of the Board is to ensure strategic direction, management supervision and adequate control of the company, with the ultimate goal of increasing the long-term value of the Bank. Bank Audi's Governance framework and that of its major banking subsidiaries encompass a number of policies, charters, and terms of reference that shape the Group's Governance framework over a wide range of issues including risk supervision, compliance, AML/CFT, audit, remuneration, evaluation, succession planning, ethics and conduct, budgeting, and capital management. Clear lines of responsibility and accountability are in place throughout the organization with a continuous chain of supervision for the Group as a whole, including effective channels of communication of the Group Executive Committee's guidance and core group strategy. Strategic objectives setting corporate values and promoting high standards of conduct have been established and widely communicated throughout the Group, providing appropriate incentives to ensure professional behavior.

The Bank's Corporate Governance Guidelines are accessible on the Bank's website at bankaudigroup.com

The Board is supported in carrying out its duties by the Audit Committee, the Risk Committee, the Remuneration Committee, the Compliance/AML/CFT Board Committee, the Corporate Governance and Nomination Committee, and the Executive Committee.

- The mission of the Group Audit Committee is to assist the Board in fulfilling its oversight responsibilities as regards: (i) The adequacy of accounting and financial reporting policies; (ii) the integrity of the financial statements and the reliability of disclosures; (iii) the appointment, remuneration, qualifications, independence and effectiveness of the external auditors; and (iv) the independence and effectiveness of the internal audit function⁽¹⁾.

- The mission of the Group Risk Committee is to assist the Board in discharging its risk-related responsibilities. The Committee is expected to: (i) consider and recommend the Group's risk policies and risk appetite to the Board; (ii) monitor the Group's risk profile for all types of risks; and (iii) oversee the management framework of the aforementioned risks, and assess its effectiveness.

- The mission of the Remuneration Committee is to assist the Board in maintaining a set of values and incentives for Group executives and employees that are focused on performance and promote integrity, fairness, loyalty and meritocracy.

- The mission of the Compliance/AML/CFT Board Committee is to assist the Board of Directors in its functions and supervisory role with respect to: (i) fighting money laundering and terrorist financing and understanding related risks, and assisting it in making the appropriate decisions in this regard; (ii) protecting the Bank from other compliance-related risks and, more generally, overseeing the Bank's compliance with applicable laws, policies and regulations.

- The mission of the Corporate Governance and Nomination Committee is to assist the Board in maintaining an effective institutional and Corporate Governance framework for the Group, an optimal Board composition, and effective Board processes and structure.

- The mission of the Group Executive Committee is to support the Group CEO in formulating policy and strategy proposals for the Board, providing leadership to management, promoting compliant execution of the Bank's business, overseeing performance against KPIs and reporting thereon to the Board.

2.0. SHAREHOLDING STRUCTURE

The following table sets out the composition of the holders of the Common Shares as at December 31, 2025:

Shareholders/Groups of Shareholders	Country (Ultimate Economic Ownership)	Percentage Ownership ⁽¹⁾ (%)
FRH Investment Holding SAL ⁽²⁾	Lebanon	12.25
Sheikh Dheyab Bin Zayed Bin Sultan Al-Nahyan	United Arab Emirates	7.96
Al-Hobayb Family	Kingdom of Saudi Arabia	6.05
Audi Family ⁽³⁾	Lebanon	5.01
Family of Late Sheikhha Suad Hamad Al Saleh Al Homaizi	Kuwait	4.42
Akig Investment Holdings Ltd	Iraq	4.26
Phoenicia Enterprises S.A	Lebanon	3.37
Al-Sabah Family	Kuwait	3.21
European Bank for Reconstruction and Development - EBRD	—	2.90
Ali Ghassan El Merhebi Family	Lebanon	2.78
Kel Group	Lebanon	2.49
Mohammed Bin Dhoheyan Bin Abdul Aziz Al Dhoheyan	Kingdom of Saudi Arabia	2.37
Investment & Business Holding Group	Lebanon	2.35
Imad Ibrahim Itani	Lebanon	1.88
International Finance Corporation - IFC	—	1.70
Executives and Employees	Lebanon	0.56
Others	—	14.89
Global Depository Receipts ("GDRs") ⁽⁴⁾	—	21.55
Total shareholding⁽⁵⁾	—	100.00

⁽¹⁾ Percentage ownership figures represent Common Shares owned by the named Shareholders and are expressed as a percentage of the total number of Common Shares issued and outstanding as at the date hereof.

⁽²⁾ FRH Investment Holding SAL is a member of the Board of Directors, represented by Fahd Rafic Hariri.

⁽³⁾ The Audi Family includes the following members of the Board as at the date hereof: Janaudi Holding S.A.L (Represented by Marc Jean Audi) and Sherine Raymond Audi.

⁽⁴⁾ GDRs represent common shares held by "The Bank of New York Mellon" as a holder of record in its capacity as depository under the Bank's GDR Program.

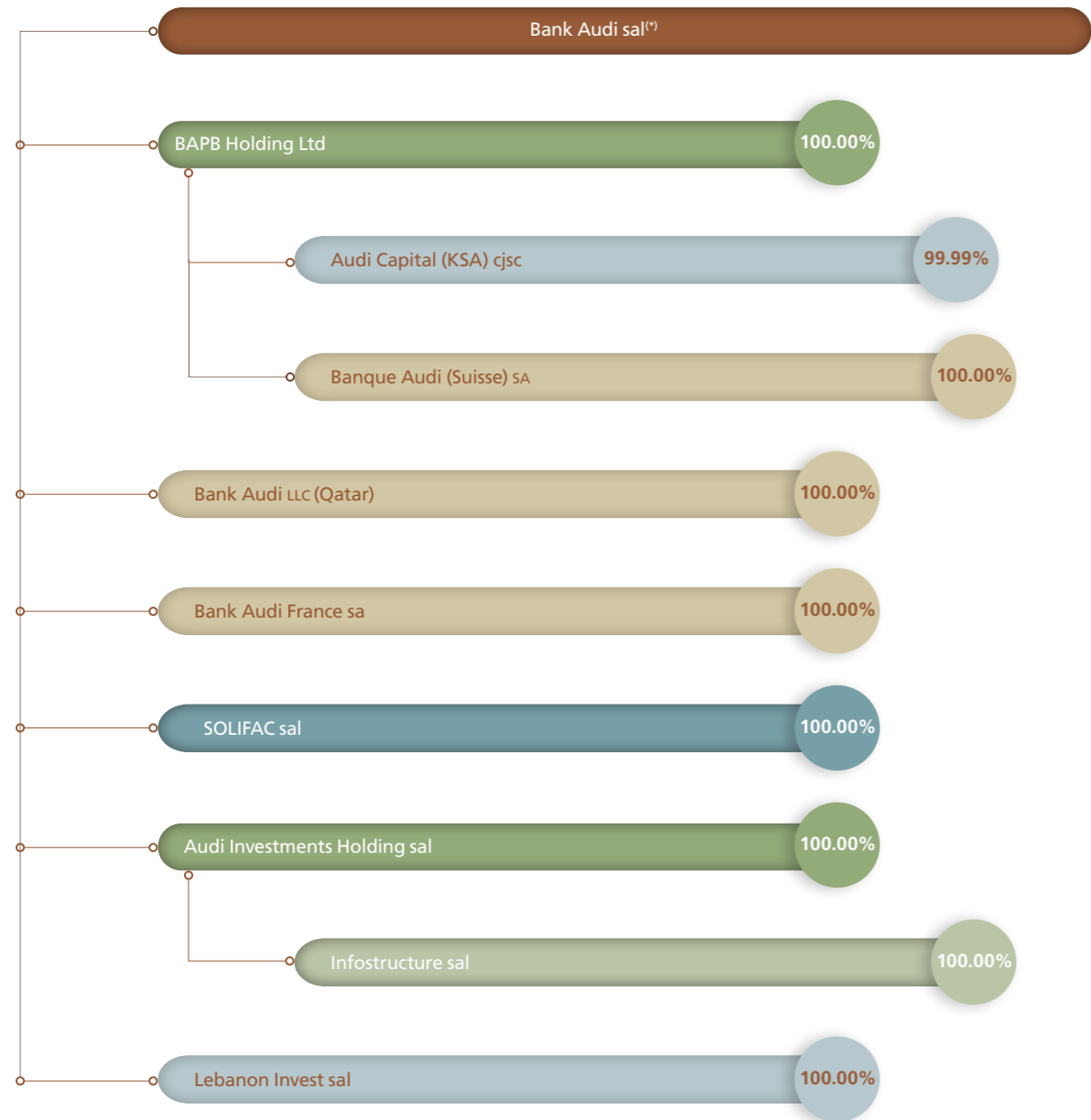
In addition to the ownership of Common shares mentioned above, 7.08 % of the Bank's Common Shares are held through GDRs by each of **FRH Investment Holding s.a.l. (including by its controlling shareholder), Sheikh Dheyab Bin Zayed Bin Sultan Al-Nahyan, the Al-Hobayb Family, the Audi Family and the Family of Late Sheikhha Suad H. Al Homaizi.** (respectively, 1.56%, 2.13%, 1.66%, 0.51% and 1.23%). Information on GDR ownership is based on self-declarations (pursuant to applicable Lebanese regulations) as GDR ownership is otherwise anonymous to Bank Audi.

⁽⁵⁾ As at the date hereof, the total number of common shares is 588,538,215. The Bank (and its affiliates) is the custodian of shares and/or GDRs representing 94.62 % of the Bank's Common Shares.

⁽¹⁾ It is not the duty of the Audit Committee to plan or to conduct audits or make specific determinations that the Bank's statements and disclosures are complete and accurate, nor is it its duty to assure compliance with laws, regulations and the Bank's Code of Ethics and Conduct. These are the responsibilities of Management and/or of external auditors.

3.0. CORPORATE STRUCTURE

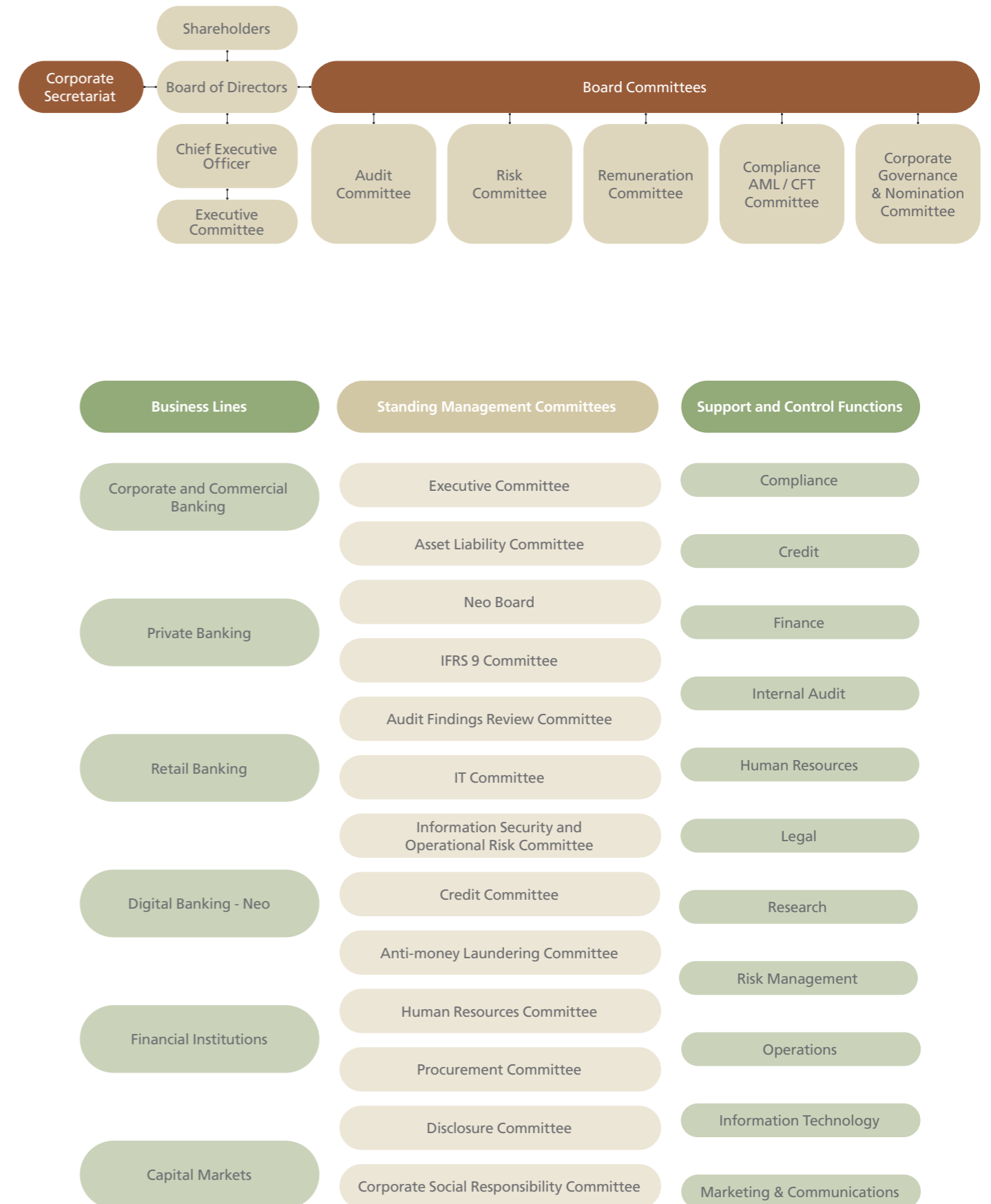
The major subsidiaries and branches abroad of Bank Audi sal as at 31/12/2025 are:



- Mother company (Banking)
- Banking
- Holding
- Financial Institutions
- Factoring
- IT services

^(*) Percentage ownership represents the economic ownership of the Bank with direct and/or indirect ownership through subsidiaries.

4.0. GROUP HIGH LEVEL CHART



5.0. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS

The current members of the Board of Directors were elected by a resolution of the Ordinary General Assembly of shareholders held on 25 July 2024 for a three-year term expiring on the date of the annual Ordinary General Assembly meeting that will examine the accounts and activity of the year 2026.

The names of Directors⁽²⁾ serving at the date of this report are the following:

Members	Independent (as per the Bank's Corporate Governance Guidelines ⁽³⁾)	Member of the Group Audit Committee	Member of the Board Group Risk Committee	Member of the Remuneration Committee	Member of the Compliance/ AML/CFT Board Committee
Ms. Sherine R. AUDI <i>(Chair since January 2026)</i>	•				Chair •
Dr. Khalil M. BITAR	•		Chair •		•
Mr. Mutlaq H. AL-MORISHED	•	•			•
Janaudi Holding sal, represented by Mr. Marc J. AUDI	•	Chair •		Chair •	
FRH Investment Holding sal, represented by Mr. Fahd R. HARIRI			•	•	
U Chain - Directors Ltd., represented by Mr. Maher G. MEREHBI	•	•	•	•	
Mr. Khalil I. EL DEBS <i>(General Manager and Group CEO)</i>					
Secretary of the Board					
Dr. Farid F. LAHOUD <i>(Group Chief Compliance Officer and Corporate Secretary)</i>					

Exceptionally, Governance matters were retained at Board level during the year, with the full Board exercising direct oversight of the responsibilities otherwise delegated to the Governance Committee.

⁽²⁾ Listed according to their dates of appointment.

⁽³⁾ Definition of "Director independence" as per the Bank's Governance Guidelines (summary):

"In order to be considered independent Director by the Board, a Director should have no relationship with the Bank that would interfere with the exercise of independent judgment in carrying out responsibilities as a Director. Such a relationship should be assumed to exist when a Director (him/herself or in conjunction with affiliates):

- is occupying, or has recently occupied an executive function in the Bank or the Group;
- is providing, or has recently provided advisory services to the Executive Management;
- is a major shareholder (i.e. owns, directly or indirectly, more than 5% of outstanding Audi common stock), or is a relative of a major shareholder;
- has, or has recently had a business relationship with any of the Senior Executives or with a major shareholder;
- is the beneficiary of credit facilities granted by the Bank;
- is a significant client or supplier of the Bank;
- has been, over the 3 years preceding his appointment, a partner or an employee of the Bank's external auditor;
- is a partner with the Bank in any material joint venture.

In addition to the above, the Board of Directors is satisfied with the ability of the independent Directors to exercise sound judgment after fair consideration of all relevant information and views without undue influence from Management or inappropriate outside interests."

FREQUENCY OF MEETINGS

In 2025, the Board of Directors held 5 meetings, the Group Audit Committee held 4 meetings, the Group Risk Committee held 4 meetings, the Remuneration Committee held 1 meeting, and the Compliance/AML/CFT Board Committee held 4 meetings.

CHANGES TO THE BOARD OF DIRECTORS DURING 2025 AND 2026 TO DATE

During the year 2025, no changes were brought to the composition of the Board of Directors.

In January 2026, Mr. Samir Hanna stepped down from the Board of Directors. The Board convened on January 13, 2026 and resolved to elect Mrs. Sherine Raymond Audi as Chair of the Board for a term expiring on the date of convening the Annual General Assembly of Shareholders that will examine the accounts of the year 2025.

LEGAL ADVISORS

Cortbaoui & Kanaan

AUDITORS

BDO, Semaan, Gholam & Co.

Ernst & Young p.c.c.

FEES PAID TO STATUTORY AUDITORS

Total fees paid to Ernst & Young and BDO, Semaan, Gholam & Co statutory auditors for the services rendered to the Group for the years 2025 and 2024 are shown as below:

Audit and services fees paid to the Group auditors and their member firms (Lebanon and abroad)

USD '000	Dec-25	Dec-24
Audit services fees related to Group statutory auditors (Lebanon and abroad)	2,064	1,930
Audit services fees related to other audit firms	222	395
Total Audit Services Fees	2,286	2,325
Other services fees to Group statutory auditors (Lebanon and abroad)	298	207
Total Audit Services and other Fees	2,584	2,532

Other services include tasks required by law and other services compatible with the statutory auditors' role.

6.0. BIOGRAPHIES OF BOARD MEMBERS



SHERINE R. AUDI

CHAIR

Age: 65 – Lebanon
Director since April 2017

Term expires at the 2027 annual General Assembly of shareholders

- Chair of the Board of Directors of Bank Audi France sa
- Chair of the Board Compliance/AML/CFT Committee of Bank Audi sal

Sherine Audi is the Non-Executive Chair of the Board of Directors of Bank Audi sal and of Bank Audi France sa, its French subsidiary.

She began her banking career in 1980 at Bank Audi France sa, where she held several senior positions across credit, business development, operations and administration, steadily progressing within the organization. She was appointed Assistant General Manager in 1995, Executive Director in 2000, and General Manager from 2010 to 2022. In this capacity, she oversaw all executive activities of Bank Audi France sa and successfully led its strategic transformations throughout a period of deep regulatory and financial changes in the banking environment.

She decided to relinquish her executive duties and was elected Non-Executive Chair of the Board of Directors of Bank Audi France sa, effective January 1, 2023.

In 2026, she was appointed Non-Executive Chair of the Board of Directors of Bank Audi sal, bringing her expertise in governance and regulatory practices acquired in the highly regulated French banking environment.

She also serves as Vice-Chair of the Chambre de Commerce Franco-Libanaise. Committed to supporting others and in keeping with her family's long-standing tradition, she is actively involved in a number of charitable initiatives. In particular, she serves as Treasurer of CARE France, an organization combating poverty and inequality in several countries, including Lebanon.

Sherine Audi holds a Certified Director diploma from Sciences Po, awarded in partnership with the French Institute of Directors.



KHALIL M. BITAR

Board Member

Age: 83 – Lebanon
Director since April 2010

Term expires at the 2027 annual General Assembly of shareholders

- Independent member of the Board of Directors
- Chair of the Risk Committee
- Member of the Board Compliance/AML/CFT Committee

Khalil Bitar is an independent member of the Board of Directors and the Chair of its Risk Committee since 2010.

He is a former Professor of Physics and a former Dean of the Faculty of Arts and Sciences of the American University of Beirut (AUB). He held this last position from 1997 until 2009, playing an instrumental role in advocating AUB's strengths and regional position as the premier center for higher education, and in re-establishing its PhD programs.

Throughout his career, he held several academic and administrative positions, including Associate Director of the Supercomputer Computations Research Institute – Florida State University (between 1994 and 1997) and visiting professor at leading academic institutes in Europe and North America (including the European Organisation for Nuclear Research in Geneva, the International Centre for Theoretical Physics in Italy, The Institute for Advanced Study in New Jersey, the Fermi National Accelerator Laboratory (Fermilab) in Illinois, the University of Illinois, Brookhaven National Lab. in New York, the Max Planck Institute in Munich, and the Rockefeller University in New York). He also served two mandates as member of The Institute for Advanced Study in Princeton, New Jersey, between 1968 and 1972.

Khalil Bitar has also served as (i) member of the Board of Directors of Audi Private Bank sal and the Chair of its Risk Committee, and (ii) member of the Board of Directors of Audi Investment Bank sal and Chair of its Risk Committee from March 2012 until November 2013, and as advisor to its Board for Risk Committee matters until the merger of both entities with Bank Audi sal in December, 2020.

Khalil Bitar holds a Bachelor of Science degree in Physics from the American University of Beirut, a Master's of Science degree in Physics, and a PhD in Theoretical Physics from Yale University in the United States.



MUTLAQ H. AL-MORISHED

Board Member

Age: 68 – Kingdom of Saudi Arabia
Director since July 2024

Term expires at the 2027 annual General Assembly of shareholders

- Member of the Board Compliance/AML/CFT Committee
- Member of the Audit Committee

Mutlaq Hamad Al-Morished served most recently (until March 2024) as the Chief Executive Officer and a Board Member at TASNEE, a major industrial corporation based in Saudi Arabia.

His career began in the USA with Shell, followed by holding key roles at SADAF, where he advanced from Chief Engineer to Vice President of Engineering & Operations, and later President in 1998. He also led the Saudi Iron & Steel Co. (HADEED) as President from 1999 to 2000.

In 2000, Mutlaq Al-Morished joined Saudi Basic Industries Corporation (SABIC), a leading diversified chemical manufacturing company based in Saudi Arabia, holding various senior positions including President of the Metals Group, Vice President of Shared Services, CFO, and EVP of Finance, until his move to TASNEE in 2015.

His other board memberships include the Saudi General Authority for Military Industries, TRONOX (NYC), and the Chairmanship of the National Metal Manufacturing & Casting Co. (Maadaniyah). Since 2017, he also serves as the independent Chair of Citigroup Saudi Arabia JSC, a company licensed to undertake securities business activities and financial advisory services in the KSA.

Previously, he served as Chair of YANSAB, SABIC Capital in Holland, SAUDI KAYAN, SABIC Captive Insurance Limited in the UK, and Alinma Investment Co. He has also held board roles with Alinma Bank, Gulf Bank, GARMCO in Bahrain, Aluminum Bahrain (ALBA), Alinma Tokio Marine, and the General Organization of Saudi Arabian Airlines, among others. Additionally, he was a member of the Advisory Board for Economic Affairs of the Supreme Economic Council of Saudi Arabia.

Mutlaq Al-Morished holds an MBA from Stanford University (1989), an MS in Nuclear Engineering from Princeton University (1981), and a BS in Nuclear Physics & Math from the University of Denver (1979).



JANAUDI HOLDING SAL

Represented by

MARC J. AUDI

Board Member

Lebanon
Director since July 2024

Term expires at the 2027 annual General Assembly of shareholders

- Chair of the Audit Committee
- Chair of the Remuneration Committee

Janaudi Holding sal is a family holding company owned by the members of the family of late Jean Wadih Audi, one of the founders of the Bank. It holds Common Shares of the Bank representing 1.80% of the total number of Common Shares issued and outstanding as at June 30, 2024, in addition to GDRs representing 0.2% of the Bank's Common Shares. Janaudi Holding sal is chaired by Marc J. Audi and is represented by him on the Board of Directors of the Bank.

Marc Audi
Age: 68 – Lebanon

Marc Audi has been a member of the Board of Directors of the Bank since March 1996. He served as General Manager from 2004 until February 2022 and as Lebanon Country Manager of the Bank Audi Group until June 2020.

He started his banking career in 1981 and held several executive positions within the Bank Audi Group in various countries, including France, the USA (California), Switzerland, and Lebanon. Throughout his career, he held executive responsibilities at the group level in Commercial Lending, Capital Markets, and Private Banking (notably serving as General Manager of Banque Audi (Suisse) SA, the Private Banking arm of the Group, until 2005).

Marc Audi currently serves as Chair of the Board of Directors of Banque Audi (Suisse) SA and as a Board member of several other affiliates of the Bank Audi Group.

He holds a Master of Business Administration from the University of Paris IX – Dauphine.



FRH INVESTMENT HOLDING SAL

Represented by

FAHD R. HARIRI

Board Member

Lebanon
Director since July 2024

Term expires at the 2027 annual General Assembly of shareholders
- Member of the Risk Committee
- Member of the Remuneration Committee

FRH Investment Holding sal is a holding company fully owned (99.9%), and represented on the Board, by Mr. Fahd R. Hariri. It holds Common Shares of the Bank representing 12.25% of the total number of Common Shares issued and outstanding as at June 30, 2024. In addition to the foregoing, Mr. Fahd Hariri owns GDRs representing 1.56% of the Bank's Common Shares.

Fahd Hariri
Age: 45 – Lebanon

Fahd Hariri is an accomplished businessman involved in the development of residential properties and chairing a number of international investment firms. His investment portfolio extends internationally with real estate holdings in prominent cities such as New York, Paris, and Monte Carlo, as well as in leading corporations and Lebanese banks.

He is the son of late Rafiq Hariri, former prime minister of Lebanon assassinated in 2005. Despite his family ties, he has never been politically active nor has he held any public mandate.

Fahd Hariri pursued an education in architecture at the École Spéciale d'Architecture in Paris, graduating in 2004. With a passion for art and design, he is the owner and president of the Alberto Pinto studio (now known as Pinto) since 2020.



U CHAIN DIRECTORS LTD.

Represented by

MAHER G. MEREHBI

Board Member

Cyprus
Director since July 2024

Term expires at the 2027 annual General Assembly of shareholders
- Member of the Audit Committee
- Member of the Risk Committee
- Member of the Remuneration Committee

U Chain Directors Ltd. ("UCD") is a newly incorporated company established under the laws of the Republic of Cyprus. Its purpose is to provide directorship services to the banking and other business sectors. UCD has nominated Maher Merehbi as its representative on the Board of the Bank.

Maher Merehbi
Age: 61 – Lebanon

Maher Merehbi has been the CEO, for more than 12 years, of a reputable group of companies engaged in the construction and development fields, with activities in Lebanon, the Gulf countries and Africa.

The aim of the presence of UCD, represented by Mr. Merehbi, on the Board of the Bank is to reinforce the Board with experienced independent members having the necessary qualifications to bring value to the Board of the Bank.



KHALIL I. EL DEBS

Board Member

*General Manager -
Group Chief Executive Officer*

Age: 54 – Lebanon
Director since July 2024

Term expires at the 2027 annual General Assembly of shareholders
- Chair of the Group Executive Committee

Khalil El Debs is the Group Chief Executive Officer of Bank Audi sal, a role he assumed in May 2024 following nearly three decades of distinguished service within the Group. A seasoned banking executive, he brings extensive expertise across corporate and investment banking, risk management, and strategic transformation.

Throughout his career at Bank Audi, Khalil El Debs has played a pivotal role in shaping the Group's development, strengthening its core businesses, and navigating complex regional financial environments. His leadership has been instrumental in reinforcing the Bank's financial position, enhancing operational efficiency, and maintaining strong client and institutional relationships across multiple markets.

Prior to his appointment as Group CEO, he served as Deputy Group Chief Executive Officer, overseeing a broad portfolio including Corporate & Commercial Banking, SME Banking, Retail Banking, Private Banking, Energy & Infrastructure Finance, Operations, Private Equity, and International activities. In this capacity, he led key strategic initiatives aimed at optimizing performance and supporting the Group's long-term resilience.

From 2008 to 2020, as Group Head of Corporate Banking, Khalil El Debs directed the Bank's lending strategy across international markets, contributed to major credit decisions, and led the establishment of the Group's syndication and project finance activities. He played a central role in structuring and executing significant transactions and in developing partnerships with leading regional and international financial institutions.

In addition to his executive responsibilities, Khalil El Debs serves as Chair of Bank Audi LLC (Qatar) and Deputy Chair of Audi Capital (KSA) cjsc. He is also a member of the Boards of Bank Audi sal, Banque Audi (Suisse) SA, and Bank Audi France sa, as well as several other Group subsidiaries.

Khalil El Debs began his career at ABN AMRO Bank N.V., gaining experience in corporate finance and international banking. He holds an MBA from the Lebanese American University and has been a Chartered Financial Analyst (CFA) since 2001.

7.0. REMUNERATION POLICY AND PRACTICES

1. The objective of the Remuneration Policy of the Bank is to establish coherent and transparent Compensation and Benefits practices in the Bank and the Group, that are consistent with the Bank's culture, business, long-term objectives, risk strategy, performance, and control environment, as well as with legal and regulatory requirements.

2. It is Bank Audi's policy to provide all employees of the Group with a comprehensive and competitive compensation package that is commensurate with each employee's position, grade and performance. Such performance is assessed on the following 3 performance criteria: key job responsibilities, SMART business goals, and behavioral competencies. Individual compensations are also linked to the achievement of objectives and are aligned with prudent risk taking. The compensation and benefits of control functions are determined in a way that preserves their objectivity and independence.

3. The aggregate consolidated amount of compensation and benefits paid by the Bank is included in the annual budget approved by the Board and is set in a way not to affect the Group's medium- and long-term capacity to sustain such levels of compensation nor its financial position or its interests.

4. Core Compensation and Benefits include basic salary and performance-based bonus (in addition to a number of ancillary benefits including individual and family medical coverage, education allowances, and others).

5. There is currently no outstanding stock-related compensation. And there are no compensation arrangements encompassing clawbacks or deferrals of payments, save for matters resulting from applicable laws and regulations. Amounts of compensation paid annually are disclosed in accordance with the International Financial Reporting Standards and with the provisions of Article 158 of the Lebanese Code of Commerce.

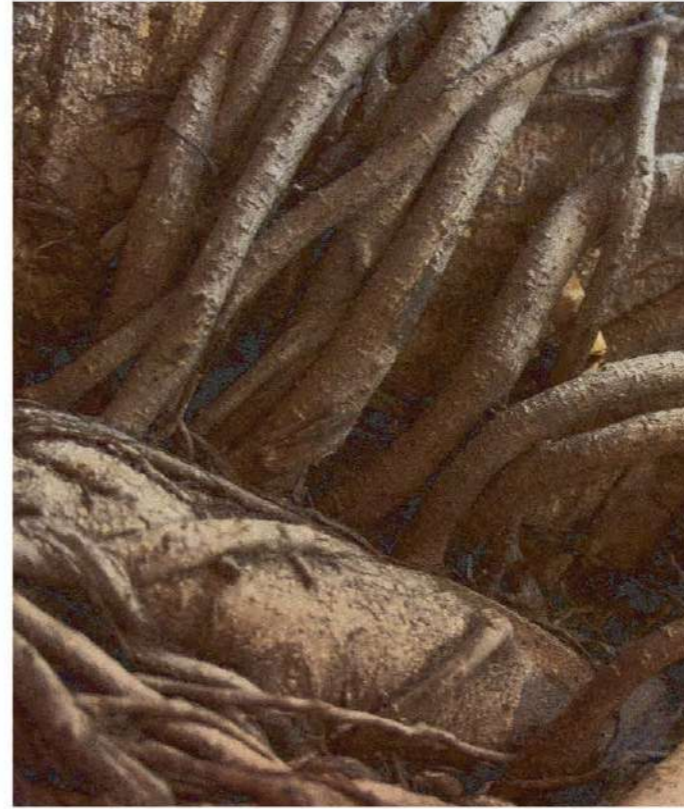
As reported in the Bank's financial statements, salaries, bonuses, attendance fees and other short-term benefits awarded to key Management personnel (as defined in Note 51 accompanying the financial statements) during the year 2025 amounted to LBP 773,275 million, in addition to post-employment benefits – Income statements aggregating LBP 19,085 million and to post-employment benefits – Other comprehensive income aggregating LBP (9,820) million. Provision for end-of-service benefits of key Management personnel amounted to LBP 102,580 million as of 31 December 2025 (2024: LBP 93,315 million).

Following the changes at Board level including the separation of the Board chairmanship from management and the appointment of a new CEO, the definition of Key Management Personnel has been reviewed. Key Management Personnel for the purpose of 2025 include the Chair and members of the Board of Directors, the General Manager - Group CEO, the Assistant General Manager - Deputy CEO, the Assistant General Managers (two individuals) and the CFO. The 2024 figures quoted above have been aligned with the aforementioned definition for comparison purposes.



02

Management **Discussion & Analysis**



1.0. OVERVIEW OF BANK AUDI SAL

Bank Audi sal (“Bank Audi”) is a leading Lebanese banking group with a universal banking profile. Founded in 1830 in Sidon, Southern Lebanon, the Bank was incorporated in its present form in 1962 as a private joint stock company with limited liability (“société anonyme libanaise”). Bank Audi is registered in the Beirut Commercial Registry under number 11347 and in the Lebanese list of banks under number 56. The Bank is licensed by the Central Bank of Lebanon. The Central Bank of Lebanon is the lead supervisor of Bank Audi and its subsidiaries. Bank Audi’s head office and registered address is Bank Audi Plaza, Omar Daouk Street, Bab Idriss, P.O. Box: 11-2560, Beirut, Lebanon.

Bank Audi offers universal banking products and services covering Corporate, Commercial, Individual and Private Banking services to a diversified client base, mainly in the MENA region. In addition to its historic presence in Lebanon, Switzerland and France, the Bank has operations in Saudi Arabia, Qatar and Abu Dhabi (through a representative office).

The initial shareholders of the Bank were members of the Audi family, together with Kuwaiti investors. Today, the shareholder base comprises more than 1,500 holders of common shares and global depositary receipts (representing common shares), including individual investors, institutional investors and two supranational agencies: the International Finance Corporation (“IFC”), a member of the World Bank Group, and the European Bank for Reconstruction and Development. The Bank’s common shares (ordinary shares and global depositary receipts) are listed on the Beirut Stock Exchange (the “BSE”) (Ticker: Audi. BY and AUSR respectively).

Terms such as “Bank Audi”, “the Bank”, “the Group”, “we”, “us” and “our” refer to Bank Audi sal and its consolidated subsidiaries. Terms such as: i) **Lebanese entities** consist of Bank Audi sal and other minor Lebanese entities including consolidation adjustments; ii) **Private Banking entities** consist of Banque Audi (Suisse) SA, Audi Capital (KSA) cjsc, and Bank Audi Private Bank Holding (Cyprus); and iii) **Other entities** consist of Bank Audi France sa, Bank Audi LLC (Qatar) and other European and MENA entities.

The discussion and analysis that follows covers the consolidated performance of Bank Audi in the year 2025, based on the audited consolidated financial statements of the Bank for the fiscal years ended 31 December 2025 and 31 December 2024. The Bank’s consolidated financial statements are prepared in accordance with the International Accounting Standard 34, the general accounting plan for banks in Lebanon, and the regulations of the Central Bank of Lebanon, the Banking Control Commission of Lebanon (BCC) and the Lebanese Capital Market Authority (CMA). Such Financial Statements include the results of the Bank and its consolidated subsidiaries as listed in Note 45 to the 2025 Financial Statements. Ernst & Young p.c.c. and BDO, Semaan, Gholam & Co. have jointly audited the annual financial statements. The figures as at end-December 2024 have been restated following the implementation of law 330.

The Group primarily operates in Lebanon, which has faced a severe fiscal, monetary, and economic crisis since October 17, 2019, leading to an unprecedented recession. This situation has significantly hindered the ability of the Lebanese government and banking sector to borrow internationally. Banks have imposed unofficial capital controls, limiting foreign currency transfers and reducing credit and cash withdrawals, further disrupting economic activity.

The Lebanese financial crisis that began in 2019 led to severe shortages of foreign currency and the emergence of a parallel exchange market diverging sharply from the historical official rate of LBP 1,507.5 per US Dollar, resulting in high inflation and significant currency depreciation. In February 2023, Banque du Liban revised the official exchange rate to LBP 15,000 per US Dollar, while market rates remained significantly higher. In February 2024, the official rate was further adjusted to LBP 89,500 per US Dollar, bringing financial reporting closer to prevailing market conditions and reducing distortions in financial statements.

The Bank continues to maintain its statutory accounts in Lebanese Pounds in accordance with regulatory requirements and IAS 21, while management reporting is presented in US Dollars. Certain balances continue to be translated using other regulatory exchange rates.

Since the onset of the crisis, monetary authorities have implemented various measures aimed at containing inflation and stabilizing the financial system, including the gradual removal of subsidies and the introduction of foreign exchange mechanisms such as the Sayrafa platform before the implementation of a new official exchange rate. The crisis has also led to a segmentation between onshore and offshore liquidity, reflected in the emergence of terms such as “local dollars” and “fresh funds”.

Efforts to address the structural imbalances of the financial sector have progressed through discussions surrounding the financial “Gap Framework” law, which aims to define the allocation of losses among the State, the Central Bank, commercial banks and depositors as part of a broader banking sector restructuring. The Governor of Banque du Liban, the Association of Banks in Lebanon and Lebanese banks have emphasized the need for a balanced approach to loss allocation, highlighting the importance of recognizing the role of sovereign and central bank exposures in the financial gap and advocating for a comprehensive solution that preserves financial stability and depositor rights.

Despite progress in discussions on the reform framework, significant uncertainty remains regarding the treatment of banks’ exposures to the Central Bank and the sovereign, as well as the future exchange rate mechanisms. Consequently, management is currently unable to reasonably estimate the full impact of these matters on the Group’s consolidated financial position, although they may have a material adverse effect on equity.

Certain statements in the MD&A are “forward-looking statements,” reflecting the Bank’s expectations regarding its operations, financial condition, competitive position, business plans, growth initiatives, and potential regulatory impacts. These statements often include terms like “believes,” “expects,” “anticipates,” and similar expressions. They do not guarantee future performance and are subject to risks and uncertainties that could lead to actual results differing significantly from these projections. The Bank does not commit to updating any forward-looking statements.

Lebanon’s economic and banking data are derived from the International Monetary Fund, the Central Bank of Lebanon, various Lebanese governmental entities and the Bank’s internal sources.

2.0. STRATEGY

The Group continues to operate in a challenging environment, particularly in Lebanon, where the banking sector remains in a prolonged transition pending the implementation of comprehensive restructuring and resolution frameworks. In this context, the Bank’s strategy is centered on resilience, readiness, and disciplined growth, enabling the Group to navigate the current phase while positioning itself for recovery once sector reforms are implemented.

The Bank’s principal priorities for the next phase focus on the following key areas:

- **Ensuring readiness for sector restructuring:** maintaining the ability to swiftly implement the anticipated restructuring framework in Lebanon while preserving operational continuity and safeguarding franchise value.

- **Driving sustainable revenue growth:** accelerating customer acquisition through a selective expansion of retail and non-retail lending, supporting balanced growth in both interest income and fee-based revenues.

- **Optimizing balance sheet allocation:** progressively rebalancing the asset mix toward higher-yielding assets, with loan portfolio growth offsetting the decline in returns on liquidity placements.

The region’s economic and banking data are derived from the International Monetary Fund, the Economist Intelligence Unit, Bloomberg, the region’s central banks and the Bank’s internal sources.

This discussion and analysis starts with an overview of the Bank’s strategy, followed by a review of the operating environment and a comparative analysis of the Group’s financial conditions and results of operations for the periods ended 31 December 2025 and 31 December 2024. An overview of earnings allocation comes next, followed by risk management, resources deployed, compliance and Environmental, Social and Governance.

- **Preserving strong liquidity buffers:** maintaining ample liquidity at all times to safeguard financial flexibility and reinforce depositor confidence.

- **Strengthening leadership in digital banking:** expanding the Bank’s digital ecosystem through innovative solutions and strategic partnerships with key market players.

- **Leveraging international platforms:** closely monitoring and enhancing the performance of foreign entities, which are expected to sustain a meaningful contribution to consolidated profitability.

- **Maintaining operational discipline:** methodically optimizing the Group’s cost base while preserving operational efficiency, growth capacity, and workforce stability.

- **Sustaining compliance with rules and regulations,** while maintaining clear communication, transparency and disclosures.

In executing this strategy, the Bank will continue to focus on maintaining resilience during the transition period while preparing its Lebanese entities for a gradual normalization of the operating environment. In parallel, Management will continue to foster synergies across the Group’s entities while preserving the Bank’s financial strength and maintaining disciplined risk and cost management practices.

3.0. OPERATING ENVIRONMENT

The political breakthrough that Lebanon witnessed at the beginning of the year 2025 had considerable economic and financial spillovers that translated into trend reversals on a number of fronts. The macro achievements in the first year of the New Presidential era could be summarized by the following:

With respect to the real economy, real GDP growth is estimated at 5% in 2025, following the 7.5% contraction that it had reported in 2024 amid war spillovers. As a reflection of improving demand for consumption and investment goods, imports were nominally up by 25% in 2025, which translated into a real imports growth of 19% year-on-year after adjusting for imported inflation.

In parallel, the balance of payments reported a real surplus of USD 3.3 billion in 2025, which corresponds to the change in the net foreign assets of the financial system after isolating the observed increase in the price of gold. Such a USD 3.3 billion surplus reflects the net impact of inflows of funds to Lebanon over outflows from the country.

The liquid FX reserves of the Central Bank grew by USD 2 billion in 2025 to reach USD 12 billion at year-end. This is mainly the result of BdL intervening on the FX market acquiring Lebanese Pounds trading surpluses from the market, after isolating the part of the rise in FX reserves that is due to interest earned abroad on the foreign held reserves and the impact of the rising Euro/USD exchange rate on the reserves held in Euro. In parallel, BdL's gold reserves reached an almost all-time high of above USD 40 billion today, rising by a significant USD 16 billion over the past year, the equivalent of a 67% growth.

Moreover, Lebanese sovereign Eurobond prices more than doubled over the past year, to move from 12.75 cents at the beginning of 2025 to circa cents 28 today, bearing in mind that they were quoted at below 6 cents in the midst of the war in September 2024. The Eurobond price rally comes amid rising demand from institutional investors that are betting on Lebanon's reform trajectory and its effect on the potential restructuring of foreign debt at large.

As to fiscal performance, the State's public finances are estimated to have recorded a net surplus of USD 1.5 billion in 2025, significantly exceeding the zero deficit target by the Budget 2025. As a matter of fact, public revenues have exceeded their budget target by 25% to reach above USD 6 billion amid improved collection efforts.

Likewise, the banking sector fresh customer deposits grew by USD 1.1 billion over the first ten months of the year to reach USD 4.3 billion at end-October 2025, or up by 34%. This noticeable growth comes amid the quasi-normalization of political conditions, carrying favorable economic, monetary and financial spillovers, though bearing in mind that a much more significant progress could materialize on the back of the awaited ratification of a Gap Law.

The past year also witnessed a quasi-stability in the banking sector free liquidity, unlike the cash burn that was witnessed over the previous few years. In fact, while gross FX liquidity has increased to USD 7.4 billion at year-end 2025 (Cash in vaults of USD 0.6 billion, balances with correspondent banks of USD 5.4 billion and non-resident security portfolio of USD 1.4 billion), free FX liquidity (following the deduction of customers fresh FX deposits) is estimated at USD 2.9 billion at end-2025, almost equivalent to its end-2024 level.

The settlement of private sector loans continued throughout 2025, though at a relatively lower pace. While LBP loans contracted by LBP 1.2 trillion, to move from LBP11.6 trillion in December 2024 to LBP 10.4 trillion in December 2025, FX loans contracted by USD 0.4 billion, to move from USD 5.5 billion to USD 5.1 billion over the period. The decline in total FX loans comes despite the start of fresh USD loan extension by few banks. As at end-December 2025, BdL had reported a total portfolio of fresh USD loans outstanding of USD 0.8 billion.

A relative stability in bank shareholders' equity was recorded in 2025 following drastic declines over the past few years (contraction of USD 15.9 billion since crisis onset). Shareholders' equity actually reported USD 4.7 billion in December 2025, almost similar to end-December 2024 (USD 4.8 billion). The stability comes amid slightly positive profitability in 2025, somewhat reversing the massive loss trend of the previous few years.

Lebanon's Major Economic Figures

(USD Million)	2024	2025	Change 2025/2024
Real Sector Indicators			
Real GDP growth	-5.7%	5.0%	10.7%
Number of passengers at the Airport (000s)	5,620	7,009	24.7%
Number of tourists (000s)	1,131	1,635	44.6%
Merchandise at the Port (000 tons)	5,412	6,409	18.4%
Construction permits (000 square meters)	4,598	5,990	30.3%
External sector			
Balance of payments	+6,437	+19,561	+13,124
<i>o.w. BdL</i>	+5,714	+18,026	+12,312
<i>o.w. Banks and Financial Institutions</i>	+723	+1,535	+812
Real Balance of Payments	+1,500	+3,289	+1,789
Monetary sector			
M3 (end-period)	69,257	67,293	-2.8%
Cleared checks in Fresh USD (USD million)	302.0	993.1	228.8%
Annual CPI inflation (end-period, %)	11.7%	7.5%	-4.2%
Banking sector (end-period)			
Total assets	102,760	102,305	-0.4%
Total shareholders' equity	4,820	4,722	-2.0%
Total deposits	88,646	87,191	-1.6%
Total credits	5,646	5,201	-7.9%

4.0. CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS

4.1. BUSINESS OVERVIEW IN 2025

In 2025, the Bank's consolidated activities and results continue to be principally impacted by the operating environment in Lebanon, its principal market, in addition to the performance of its operations

in France, a number of entities grouped under the Private Banking business line, along with other entities in the MENA region.

The table below sets out the contribution of each of those constituents as at end-December 2025 as compared to end-December 2024:

(USD Million)	Dec-24		Dec-25		Change Dec-25/24	
	Volume	Share in Total	Volume	Share in Total	in Volume	in %
ASSETS						
Lebanese Entities	12,738	76.1%	12,797	84.6%	59	0.5%
Turkey	2,242	13.4%	0	0.0%	-2,242	-100.0%
Private Banking Entities	1,380	8.2%	1,698	11.2%	318	23.0%
Bank Audi France	1,308	7.8%	1,466	9.7%	158	12.1%
Other Entities	146	1.0%	212	1.4%	66	45.2%
Consolidation Adjustments	-1,065	-6.5%	-1,051	-6.9%	14	-1.3%
Total	16,749	100.0%	15,122	100.0%	-1,627	-9.7%
DEPOSITS						
Lebanese Entities	10,434	84.0%	10,467	81.2%	33	0.3%
Private Banking Entities	837	6.7%	1,175	9.1%	338	40.4%
Bank Audi France	1,132	9.1%	1,244	9.7%	112	9.9%
Other Entities	53	0.4%	63	0.5%	10	18.9%
Consolidation Adjustments	-40	-0.3%	-55	-0.4%	-15	37.5%
Total	12,416	100.0%	12,894	100.0%	478	3.8%
LOANS						
Lebanese Entities	110	11.4%	168	14.7%	58	52.7%
Private Banking Entities	425	44.1%	466	40.8%	41	9.6%
Bank Audi France	343	35.6%	429	37.6%	86	25.1%
Other Entities	96	10%	83	7.3%	-13	-13.5%
Consolidation Adjustments	-11	-1.1%	-6	-0.4%	5	45.5%
Total	963	100.0%	1,140	100.0%	177	18.4%

(USD Million)	FY-2024		FY-2025		Change FY25/FY24	
	Volume	Share in Total	Volume	Share in Total	in Volume	in %
Net earnings (including discontinued operations)						
Lebanese Entities	-39		39	47%	78	200.0%
Private Banking Entities	27		17	20.5%	-10	-37.0%
Bank Audi France	17		19	22.9%	2	11.8%
Other Entities	5		8	9.6%	3	60.0%
Entities held for sale	-10		-	-	10	100.0%
Total	0		83	100.0%	83	-
Normalised net earnings (excluding discontinued operations)						
Lebanese Entities	139	75.9%	113	74.5%	-26	-18.7%
Private Banking Entities	21	11.5%	12	8.1%	-9	-42.9%
Bank Audi France	17	9.3%	18	11.7%	1	5.9%
Other Entities	6	3.3%	9	6%	3	80.0%
Total	183	100.0%	152	100.0%	-30	-16.9%

What follows is a brief discussion of the overall trends across main constituents of the Group:

4.1.1. PERFORMANCE BY GEOGRAPHY

OPERATIONS IN LEBANON

In 2025, Lebanon's macroeconomic context highlighted early signs of economic stabilization. Real GDP growth for the year is estimated at around 5%, reflecting a recovery in consumption and investment demand, while the level of foreign currency reserves stood at approximately USD 11.9 billion, alongside gold reserves of around USD 45.9 billion, which continue to represent an important monetary anchor. Lebanese Eurobond prices recovered to their highest level since the 2020 default.

On the financial front, a number of key legislative reforms paving the way for financial recovery have been so far adopted. These include the Banking Secrecy Law, amendments to the Code of Money and Credit, and law No 23/2025, a Banking Reform Law establishing a Bank Restructuring Authority as well as a framework to restructure Lebanese banks following the 2019 financial crisis. Under this framework, bank viability is assessed by the Banking Control Commission with independent evaluations, under the supervision of the Higher Banking Commission. Banks deemed viable enter rehabilitation, with tools including bail-in, recapitalization, asset transfer and mergers. The higher Banking Commission is granted broad powers to enforce restructuring, including management changes, asset disposals, and dividends restrictions. Non-viable banks are subject to orderly liquidation aimed at maximizing recovery and preserving financial stability. Losses follow a defined hierarchy, with shareholders and large creditors absorbing losses before depositors. Accountability measures target shareholders, management, and auditors in case of misconduct.

The implementation of Law 23/2025 depends on the Gap Framework Law. A draft Law was approved by the Council of Ministers and is currently under parliamentary review. Said draft law seeks to formally recognize the financial gap and establish a framework for allocating losses among the State, Banque du Liban, banks and depositors. The proposal also envisages an independent asset quality review of Banque du Liban and the banking sector by an international firm to validate the size of the financial gap. It provides for the phased repayment of deposits up to USD 100,000 per depositor, while larger balances may be compensated through long-term asset-backed instruments. It also introduces recovery of irregular transactions and channels proceeds into a Bdl- managed repayment account.

Up until end-March 2026, the draft law has been generating diverging views among stakeholders. International partners welcomed the submission of the Law as a step toward financial sector restructuring, while the IMF acknowledged the initiative but highlighted certain shortcomings regarding the resolution framework and the sequencing of loss allocation. At the domestic level, the Governor of Banque du Liban has reportedly expressed reservations regarding aspects of the draft law, particularly the treatment of bank capital and the methodology for loss allocation, emphasizing the importance of following internationally recognized resolution practices based on individual bank assessments. Similarly, the Association of Banks in Lebanon (ABL) welcomed the submission of the draft law after several years of

discussions but expressed concerns regarding the absence of a fully validated assessment of the financial gap, the limited recognition of the State's role in the accumulation of the gap, and the potential impact of certain provisions on bank capital and financial stability. The law continues to be under discussion among the different stakeholders and is expected to undergo further amendments during the parliamentary review process before potential adoption.

On this background, Bank Audi's management continues to steadily work on consolidating the Bank's resilience in the face of the storm and ensuring its readiness. In 2025, Bank Audi completed a number of key milestones in that direction, which included principally the completion of the divestment of Odea Bank and the settlement with IFC.

In parallel, the Bank made definite progress in redefining its business model, continuing the transitioning toward a digital-first platform for individuals while consolidating the branch footprint to better serve high-net-worth and corporate clients. Bank Audi acquired in 2025 a leadership position in digital banking in Lebanon, providing it a definite advantage allowing to rebuild trust and retain clients.

In fact, the Bank's digital platform Neo significantly expanded its customer base during the year adding new clients and raising additional deposits. Performance-wise, Neo generated positive net income during the year, ahead of preset timing. Several initiatives are currently underway to enhance the platform's offering, including multicurrency cards, digital lending capabilities and solutions targeting youth and SMEs.

Activity-wise, assets of Lebanese entities, expanded during the year by USD 73 million, to stand at USD 11.7 billion as at end-December 2025, including consolidation adjustments mirroring a stability of customer deposits of those entities over the same period. On the uses side, liquidity levels strengthened further in parallel with an orderly deployment of liquidity into new lending activities. On balance sheet loans of Lebanese entities stood at USD 163 million as at end-December 2025, of which USD 146 million denominated in fresh dollars. This compares with USD 99 million of net loans as at end-December 2024, of which USD 26 million denominated in fresh.

On the profitability front, the Bank continued to implement, albeit partially, its past practice of allocating pre-tax profits to provisions for risks and charges, which will be directed to various asset classes as needed until a comprehensive recovery plan is established. Lebanese entities have hence reported net profits after provisions and taxes of USD 39 million in 2025, compared to a registered loss of USD 39 million in 2024. Adjusted to one-off flows related to the crisis and the allocation to provisions for risk and charges, Lebanese entities registered normalized net profits of USD 115 million in 2025, including profits from discontinued operations, declining by 17% relative to 2024 (USD 139 million). This was achieved in the context of higher operating costs related to the run-rate of the salaries increases implemented in the second half of 2024.

ENTITIES IN OTHER COUNTRIES OF PRESENCE

The entities operating in other countries performed well in 2025, while undertaking also a number of development initiatives,

aiming at emphasizing their continued contribution to the Group's consolidated results and overall resilience.

1. BANK AUDI FRANCE

In 2025, Bank Audi France sa continued to strengthen its franchise through the implementation of a strategy focused on client proximity, operational efficiency, and a continued focus on strong governance and compliance standards. Business activity remained solid. Assets of Bank Audi France sa moved from USD 1.31 billion as at end-December 2024 to USD 1.46 billion as at end-December 2025, increasing by USD 156 million, of which USD 74 million of real increase with the variance reflecting foreign currency translation effect. Asset growth was driven by customer deposits increasing by USD 112 million (of which USD 50 million of real increase) to approximately USD 1.2 billion and loans to customers increasing by USD 86 million (of which USD 56 million of real increase) to

USD 429 million, driven primarily by growth in commercial lending. The Bank maintained a focused management of its spreads as well as the profitability of its customer base through its client acquisition strategy and an improved deposit mix. During the year, management intensified business development efforts, conducting several outreach missions across multiple countries to further expand the client pipeline. In parallel, the Bank continued to advance key operational initiatives, including upgrades of its digital banking platform and its core banking systems.

Bank Audi France sa achieved net profits of USD 17.7 million in 2025 compared to USD 16 million during 2024.

(USD Million)	Dec-24	Dec-25	Change in Volume Dec-25 / Dec-24
Balance sheet data			
Assets	1,308	1,464	156
Deposits	1,132	1,244	112
Loans	343	429	86
Equity	127	162	35
Outstanding LCs + LGs	80	59	-21
Earnings data			
	2024	2025	Change FY 2025 / 2024
Total income	48.4	47.7	-0.7
Net profits	16.0	17.7	1.7
ROAA	1.5%	1.3%	0.0%
ROAE	15.7%	12.0%	-0.9%

2. BANK AUDI LLC (QATAR)

Bank Audi LLC (Qatar) maintains its position as a profitable booking center for regional corporate transactions, reporting net profits of USD 6.5 million in 2025 compared to USD 5 million in 2024.

A development plan is currently being implemented to expand lending capabilities to new markets and identify required resources for its implementation.

(USD Million)	Dec-24	Dec-25	Change in Volume Dec-25 / Dec-24
Balance sheet data			
Assets	138	203	65
Deposits	54	62	8
Loans	96	83	-13
Equity	62	69	7
Outstanding LCs + LGs	60	50	-10
Earnings data			
	2024	2025	Change FY 2025 / 2024
Total income	9.8	12.9	3.1
Net profits	5.0	6.5	1.5
ROAA	3.8%	3.7%	-0.1%
ROAE	8.3%	9.9%	1.6%

3. PRIVATE BANKING ENTITIES

Bank Audi Group's Private Banking business is anchored by Bank Audi Private Bank Holding (Cyprus) and its key subsidiaries, Banque Audi (Suisse) SA and Audi Capital (KSA) cjsc. Through Banque Audi (Suisse) SA, the business extends its geographic reach to Sub-Saharan Africa and Latin America via dedicated coverage desks, while maintaining a presence in Lebanon through Lebanon Invest, which operates as an introducer broker for Banque Audi (Suisse) SA. Lebanon Invest is licensed by the Capital Markets Authority in Lebanon to provide wealth management advisory services.

In 2025, consolidated client assets of Bank Audi Private Bank, which include both deposits and off-balance sheet Assets under Management (AuMs), such as fiduciary deposits and custody

accounts, rose by USD 361 million (6.1%), from USD 5.9 billion as at end-December 2024 to USD 6.2 billion as at end-December 2025. The contribution of private banking entities to consolidated net profits reached USD 17.0 million in 2025 down from USD 26.8 million in 2024. Adjusted to one-off flows, in particular USD 5.9 million of provisions release on Eurobonds in 2025, the contribution of private banking entities to normalized net profits reached USD 12.3 million in 2025 compared to USD 21.4 million in 2024. Starting from an almost equivalent total revenue across both dates, the decrease in net profits contribution on a normalized basis stems from an expansion of the cost base of Banque Audi (Suisse) SA and Audi Capital (KSA) cjsc by 17.8% during the year, reflecting the new hires as well as global inflationary impact.

(USD Million)	Dec-24	Dec-25	Change in Vol. Dec-25 / Dec-24	Change in % Dec-25 / Dec-24
Balance sheet data				
On-Balance Sheet Assets	1,385	1,698	313	22.6%
Total Client Assets	5,866	6,226	361	6.1%
o.w. AuMs (Off-Balance Sheet)	3,920	3,725	-195	-5.0%
o.w. Deposits (On-Balance Sheet)	837	1,175	338	40.4%
o.w. Fiduciary Deposits (Off-Balance sheet)	1,109	1,327	218	19.7%
Client Loans	425	466	41	9.6%
Equity	362	407	45	12.4%
Normalized Earnings data				
	FY-2024	FY-2025	Change in Volume YoY	Change in % FY25 / FY24
Total income	84	83	-0.5	-0.6%
Net profits	21.4	12.3	-9.1	-42.6%
Spread (on AA +AAuMs)	0.6%	0.6%	0.0%	
ROAA+AAuMs	0.3%	0.2%	-0.1%	
ROACE	6.5%	3.2%	-3.3%	

What follows is a brief discussion of individual key performance highlights across main constituents of the Private Banking business line:

BANQUE AUDI (SUISSE) SA

In 2025, Banque Audi (Suisse) SA continued to operate in a complex environment marked by evolving regulatory requirements, global market volatility, and the ongoing financial crisis in Lebanon affecting part of its client base. Notwithstanding, the Bank continued in 2025 to demonstrate resilience and maintained solid financial fundamentals. It made tangible progress toward exiting the FINMA enforcement framework allowing to restore customary dealings with the regulator. In addition, the Bank has been actively reinforcing its relationship-management and compliance teams with 12 new hires, in order to be ready to proactively grow the activity immediately post exit.

Activity-wise, assets under management of Banque Audi (Suisse) SA including fiduciary deposits expressed in US Dollar reached USD 4.4 billion as at end-December 2025 compared to USD 4.3 billion as at end-December 2024. This increase of USD 125 million during the year reflects predominantly supportive market performance along with positive net new money inflows by USD 15 million. Total assets increased from USD 1.26 billion as at end-December 2024 to USD 1.56 billion as at end-December 2025, with the increase driven by additional client deposits by USD 318 million during the

year. Banque Audi (Suisse) SA generated net profits of USD 15.2 million in 2025 compared to USD 21.9 million in 2024, with the contraction justified by a rise in operating cost by 19.7% over the same period, reflecting the cost associated with the new hires in addition to the impact of the prevailing inflation.

Operationally, the Bank continued to strengthen its liquidity and capital position, with deposits at the Swiss National Bank increasing significantly as part of prudent liquidity management, resulting in a liquidity coverage ratio of 1061%. The Bank remains strongly capitalized with shareholders' equity of USD 289 million as at end-December 2025 and a Tier 1 capital ratio of 61.7%, underscoring its financial strength and its capacity to support sustainable growth in its wealth management activities.

On the business development front, Banque Audi (Suisse) SA continued in 2025 to pursue selective initiatives, focusing on strengthening client relationships, maintaining client risk appetite through diversified investment opportunities, and preserving its wealth management franchise amid challenging market conditions.

From a regulatory standpoint, the Bank further reinforced its compliance, risk management, and internal control framework, reflecting ongoing investments to ensure full alignment with Swiss regulatory standards. These measures included enhancements to

LEBANON INVEST

Lebanon Invest plays an integral role in Bank Audi Group's wealth management business in Lebanon, operating in close coordination with Banque Audi (Suisse) SA, the Group's international private banking booking center regulated by FINMA in Switzerland. Acting primarily as an introducing broker, Lebanon Invest originates and services client relationships while transmitting client instructions, with account booking, execution, and control functions carried out by Banque Audi (Suisse) SA in accordance with Swiss regulatory standards.

AUDI CAPITAL (KSA) CJSC

Following the strategic turnaround and the appointment of new management, Audi Capital entered a new phase of development in 2025, with a renewed mandate to position it as Bank Audi Group's wealth management arm in the GCC, with a particular focus on the Kingdom of Saudi Arabia.

During the year, the company made tangible progress in rebuilding its client franchise and expanding its wealth management offering. Over 30 new clients were onboarded, with the client base increasingly diversifying beyond Saudi residents to include Lebanese and other international investors demonstrating growing confidence in Saudi booking. In parallel, the business began transitioning toward a more advisory-led and booking-agnostic model, enabling deeper engagement across clients' overall wealth and enhancing cross-selling opportunities.

Operational capabilities were enhanced through the deployment of a new CRM system to strengthen client coverage and pipeline management, the use of AI tools to enhance research and advisory reporting, and the automation of onboarding processes through strategic partnerships. The investment offering was also broadened through the development of a private markets franchise and the introduction of new investment products, including:

- The Myriad Dubai direct deal, which successfully raised USD 20 million within one month;
- Audi Capital MENA Art Fund, currently in the fundraising phase;

governance and monitoring processes as well as the review and rationalization of certain client relationships to maintain the Bank's high compliance standards.

The role of Lebanon Invest was further strengthened in 2025 following the granting of a wealth management advisory license by the Capital Markets Authority in Lebanon (affiliated with Banque du Liban), enabling the entity to expand its advisory capabilities and enhance client proximity. As at end-December 2025, assets under management originating from Lebanon Invest and booked with Banque Audi (Suisse) SA reached USD 834 million, reflecting strong synergies between the two entities and their complementary roles in serving high net worth clients, principally in Lebanon. This represents a 57% increase compared to USD 531 million as at end-December 2024.

- Audi Tadawul, an online trading platform targeting sophisticated execution-only clients;
- Aswaqi, a retail-focused trading platform being developed in partnership with Amana;
- The reactivation of margin lending solutions for high-net-worth clients.

Assets under management of Audi Capital reached USD 635 million as at end-December 2025, compared to USD 718 million as at end-December 2024. The evolution reflects principally an internal technical accounting action in connection to the UAE representative office portfolio away from Audi Capital. As a result of the various investment initiatives mentioned above, Audi Capital (KSA) cjsc reported net losses of USD 4.1 million in 2025 compared to net profits of USD 0.6 million in 2024.

Building on this momentum, the outlook for 2026 focuses on consolidating this strategic repositioning by further expanding the private markets franchise and launching new investment opportunities. Key initiatives include the planned acquisition of 31 luxury ateliers across Northern Italy, with a 20-year lease to the operator, a solid pipeline of direct deals, and the launch of the Aswaqi platform. Through these initiatives, Audi Capital aims to grow its client base, increase assets under management, and establish itself as a key pillar of the Group's wealth management franchise across the GCC.

4.1.2 ABIDANCE BY REGULATORY REQUIREMENTS (NOTE 1)

In response to the tough operating conditions prevailing in Lebanon because of the war, the Central Bank of Lebanon issued or amended a number of circulars as follows:

- Issuance of Banking Control Commission Memorandum No. 4/2025, requiring banks to refrain from imposing new fees and commissions on "non-fresh deposit accounts" that were not applicable prior to 31 October 2019. The measure is expected to result in a significant annual reduction in fees and commissions income in local foreign currency terms.

- Amendments to Banque du Liban Basic Circular No. 158 and Banque du Liban Basic Circular No. 166, increasing monthly withdrawal limits from USD 800 to USD 1,000 and from USD 400 to USD 500, respectively, with incremental increases to be disbursed exclusively through POS transactions. The additional payments remain fully funded through the Bank's compulsory placements with Banque du Liban, except for approximately 16% of payments under Circular 158, which continue to be financed from the Bank's own liquidity.

4.1.3 NON-FINANCIAL RISKS: LITIGATIONS

The restrictive measures adopted by Lebanese banks since the onset of the financial crisis, particularly with respect to withdrawals and transfers abroad, have exposed the banking sector, including the Bank, to increased litigation in Lebanon and in certain foreign jurisdictions. While litigation is inherent to the banking business and the Bank has established procedures to manage such matters, claims arising from these exceptional circumstances largely stem from factors beyond the Bank's control.

Litigations related to the crisis are addressed on a case-by-case basis, with Management closely monitoring their potential impact. In this context, the Bank continues to emphasize the need for a comprehensive legislative framework capable of addressing the

- Amendments to Banking Control Commission Circular No. 299, pursuant to the requirement to report Capital Adequacy Ratios on a stand-alone basis, whereby the deduction of investments from Core Equity has been temporarily suspended until further notice and replaced by a 250% risk-weighting treatment.

- Amendments to Banque du Liban Basic Circular No. 14 and Banque du Liban Basic Circular No. 67, reducing the interest rates applied on foreign currency deposits placed with Banque du Liban and on foreign currency certificates of deposit issued by Banque du Liban.

- Application of Law No. 330 relating to the exceptional revaluation of fixed assets, pursuant to which the Bank is expected, by end-March 2026, to recognize the impact of updated end-December 2025 revaluations on three asset categories, namely foreign exchange positions, fixed assets and inventories, primarily consisting of foreclosed assets.

A comprehensive list of the key regulations issued over the recent years is included in Note 1 of the enclosed audited financial statements.

unconventional legal disputes arising from the current exceptional circumstances affecting the Lebanese banking sector.

During the recent period, the number of new cases filed against the Bank has declined. Several rulings have been issued in favor of the Bank, while certain foreign courts have declined jurisdiction over claims involving cross-border matters.

In addition, the Group may, from time to time, become involved in other legal or arbitration proceedings arising in the ordinary course of business, the outcome of which could affect its operations or financial results.

4.2. CONSOLIDATED FINANCIAL OVERVIEW IN 2025

The Bank's financial statements have been prepared in accordance with regulatory requirements, particularly regarding the translation of foreign currencies into Lebanese Pounds (LBP) using the official exchange rates provided by the Central Bank of Lebanon. Bank Audi publishes its figures in LBP, translating balances and transactions in foreign currencies—predominantly USD—using the prevailing official exchange rate. For the periods reported, the official exchange rate was LBP 89,500 per USD as at end-December 2024 and end-December 2025.

All figures in the following analysis are expressed in US Dollars (USD), unless stated otherwise. These figures have been translated from LBP using the official exchange rates mentioned above.

Given the presence of multiple exchange rates in Lebanon due to the ongoing financial crisis, the results of Lebanese entities may not accurately represent absolute values and are intended solely to illustrate the evolution of key indicators.

As at end-December 2025, consolidated assets of Bank Audi stood at USD 15.1 billion, contracting by USD 1.6 billion over the year, from USD 16.7 billion at end-December 2024. This decline reflects predominantly the sale of Odea Bank, the Group's subsidiary in Turkey completed in March 2025, offsetting an organic assets growth by USD 616 Million.

Back in November 2023 and given the significant requirement of Odea Bank for capital needs to sustain its growth at the current

level amidst a continuing devaluation of the Turkish Lira, the Board of Directors resolved to divest of its investment in the Turkish subsidiary. Until completion on 28 March 2025, the operation of Odea Bank, and in compliance with IFRS, was to be treated as a discontinued operation and accordingly its financials were not reflected in the line-by-line structure of the Statement of Financial Position as at end-December 2024. Rather, its assets and liabilities were booked under "assets held for sale" and "liabilities held for sale" respectively (sub captions of "other assets and other liabilities" in the Summarized Statement of Financial Position below). In the Income Statement, the net profits generated by this discontinued operation in the years 2024 and 2025 were booked under "results from discontinued operations".

Accordingly, the contraction in consolidated assets by USD 1.6 billion stems from a decrease in consolidated other assets by USD 2.2 billion reflecting the impact of the deconsolidation of Odea Bank (USD 2.2 million), partially offset by increases in placements in portfolio securities by USD 337 million, in net loans to customers by USD 177 million and in cash and Central Banks by USD 73 million. Following the enactment of Law No. 330/2024, the Group retrospectively restated the carrying values of Lebanese fixed assets from 1 January 2024, including the revaluation of real estate and the translation of other tangible and intangible assets at the new official exchange rate of LBP 89,500 / USD (from LBP 15,000/USD), with corresponding adjustments reflected in comparative financial information. Subsequently, consolidated fixed assets rose by USD 8 million in 2025 to stand at USD 293 million as at end-December 2025.

The table below sets out the evolution of the Group's financial position as at end-December 2025, compared to end-December 2024:

Summarised Statement of Financial Position

(USD Million)	Dec-24	Dec-25	Change in Vol. Dec-25 / Dec-24	Change in %
Cash & placements with banks and central banks	11,341	11,414	73	0.6%
Portfolio securities	1,740	2,077	337	19.4%
Loans to customers and related parties	963	1,140	177	18.4%
Other assets*	2,365	198	-2,222	-91.8%
Fixed assets	286	293	8	2.8%
Assets = Liabilities + Equity	16,749	15,122	-1,627	-9.7%
Bank deposits	295	176	-119	-40.3%
Customers' deposits and related parties	12,416	12,894	478	3.8%
Subordinated debt	268	118	-150	-56.0%
Other liabilities**	2,731	775	-1,956	-71.6%
Shareholders' equity (profit included)	1,039	1,159	120	11.5%
AUMs + fid. dep. + cust. acc.	7,914	8,319	405	5.1%
Assets + AUMS	24,663	23,441	-1,222	-5.0%

* In 2024 other assets includes assets held for sale amounting to USD 2,242 million

** In 2024 other liabilities include liabilities held for sale amounting to USD 2,033 million

BREAKDOWN BY CURRENCY – LOCAL VS FRESH

Due to Lebanon's ongoing crisis since 2019, the Bank's consolidated financial statements do not reflect the disclosures required by IAS 29 for hyperinflationary economies. Consequently, the Lebanese market distinguishes between onshore and offshore assets and liabilities, as well as foreign currency bank accounts subject to capital controls and those free from them. This differentiation arises from varying perceptions of real economic value, leading to terms like "lollars" for local US Dollar accounts under capital controls and "fresh accounts" for foreign currency accounts without such controls.

The table below details the breakdown of consolidated assets, deposits, and loans by currency, highlighting amounts in Lebanese Pounds (LBP) and foreign currencies. The foreign currency amounts are further categorized into restricted amounts (Lollars) and unrestricted amounts (labeled as fresh), reflecting the current market definitions in Lebanon since the onset of the crisis.

Breakdown by Foreign Currency – Local vs "Fresh"

(USD Million)	LBP	Dec-2025			Total LBP & FCY
		FCY		Total FCY	
		o.w. Lollars ^(*)	o.w. Fresh ^(**)		
Loans and advances to customers and related parties	4	18	1,118	1,136	1,140
Total assets	492	9,495	5,135	14,630	15,122
Deposits from customers and related parties	84	9,409	3,401	12,810	12,894

(USD Million)	LBP	Dec-2024			Total LBP & FCY
		FCY		Total FCY	
		o.w. Lollars ^(*)	o.w. Fresh ^(**)		
Loans and advances to customers and related parties	4	79	880	959	963
Total assets	498	9,902	6,349	16,251	16,749
Deposits from customers and related parties	66	9,690	2,660	12,350	12,416

	LBP	Change Dec-2025 - Dec-2024 in %			Total LBP & FCY
		FCY		Total FCY	
		o.w. Lollars ^(*)	o.w. Fresh ^(**)		
Loans and advances to customers and related parties	0%	-77.6%	27.1%	18.5%	18.4%
Total assets	-1.2%	-4.1%	-19.1%	-10.0%	-9.7%
Deposits from customers and related parties	27.2%	-2.9%	27.9%	3.7%	3.8%

^(*) Onshore assets and liabilities in foreign currencies subject to unofficial capital controls in Lebanon.

^(**) Offshore assets and liabilities in foreign currencies not subject to capital controls in Lebanon.

Consolidated assets denominated in Lebanese Pounds increased in 2025 by USD 6 million, from USD 498 million as at end-December 2024 to USD 492 million as at end-December 2025.

Consolidated assets denominated in foreign currencies decreased by USD 1.7 billion, from USD 16.3 billion as at end-December 2024 to USD 14.6 billion as at end-December 2025, comprising:

- USD 5.1 billion in unrestricted assets denominated in foreign currencies (fresh), including assets from foreign entities, compared to USD 6.3 billion as at end-December 2024, underscoring a contraction by USD 1.2 billion. Adjusting to the USD 2.2 billion deduction tied to deconsolidation of Odea Bank AS following its sale, unrestricted assets denominated in foreign currencies (fresh) would have increased by USD 1 billion during the year,
- USD 9.5 billion in restricted assets in foreign currencies, compared to USD 9.9 billion as at end-December 2024.

Consolidated deposits increased in 2025 by USD 479 million, from USD 12.4 billion as at end-December 2024 to USD 12.9 billion as at end-December 2025. These comprised:

- USD 84 million in deposits denominated in LBP, increasing by USD 18 million during the year
- USD 9.4 billion in restricted deposits in foreign currencies booked in Lebanese entities, decreasing from USD 9.7 billion as at end-December 2024
- USD 3.4 billion in unrestricted deposits denominated in foreign currencies (fresh), increasing by USD 741 million in 2025, of which a USD 444 million increase in entities outside Lebanon and a USD 297 million in Bank Audi Lebanon. These deposits are broken down over USD 2.4 billion of deposits in entities outside Lebanon and USD 973 million deposits booked in Bank Audi Lebanon. This is to be compared to USD 2.7 billion in unrestricted deposits denominated in foreign currencies (fresh) as at end-December 2024, broken down over USD 2 billion of deposits booked in foreign entities and USD 675 million of deposits booked in Bank Audi Lebanon.

Consolidated loans to customers increased by USD 177 million in 2025, from USD 963 million as at end-December 2024 to USD 1,140 million as at end-December 2025. On the backdrop of stable loans denominated in LBP across both dates, loans in foreign currencies accounted for all the increase moving from USD 959 million as at end-December 2024 to USD 1,136 million as at end-December 2025. The latter comprise USD 18 million of loans denominated in restricted dollars and booked in Bank Audi Lebanon (compared to USD 79 million as at end-December 2024) and USD 1,118 million of loans in unrestricted dollars (fresh), of which USD 973

million booked in entities outside Lebanon and USD 146 million booked in Lebanese entities. As at end-December 2024, loans in unrestricted dollars (fresh) amounted to USD 880 million, of which USD 853 million booked in entities outside Lebanon and USD 26 million booked in Bank Audi Lebanon. The expansion of net loans booked in Lebanon and denominated in unrestricted dollars (fresh) reflects management direction to selectively expand retail and non-retail lending in Lebanon, supporting sustainable growth in both interest and fee-based revenues.

BREAKDOWN BY GEOGRAPHY

The following table sets out a breakdown of the Bank's assets, customers' deposits and loans by geography as at the dates indicated:

	Assets			Deposits			Loans		
	Dec-24	Dec-25	Change	Dec-24	Dec-25	Change	Dec-24	Dec-25	Change
By region									
Lebanon	69.7%	77.7%	8.0%	83.7%	80.8%	-3.0%	10.3%	14.3%	4.0%
Abroad	30.3%	22.3%	-8.0%	16.3%	19.2%	3.0%	89.7%	85.7%	-4.0%

22.3% of consolidated assets are booked in entities outside Lebanon as at end-December 2025, compared to 30.3% as at end-December 2024, clearly witnessing to the deconsolidation of Odea Bank AS in March 2025. Operationally, entities outside Lebanon accounted for 85.7% of consolidated net loans compared to 89.7% as at end-December 2024. The evolution is explained by a management decision to expand the loan portfolio in Lebanon. In parallel, entities outside Lebanon accounted for 19.2% of consolidated customers' deposits as at end-December 2025, compared to 16.3% as at end-December 2024, reflecting a faster deposits growth in entities abroad than in Lebanon.

Consolidated assets under management, including fiduciary deposits and custody accounts grew by 5.1% in 2025, or USD 405 million from USD 7.9 billion as at end-December 2024 to USD 8.3 billion as at end-December 2025. By entity, assets under management of Lebanese entities increased by USD 366 million while those of Banque Audi (Suisse) SA increased by USD 125 million within an increase by USD 27 million in Bank Audi LLC (Qatar). Subsequently, the aggregate of consolidated assets and AuMs, including fiduciary deposits, custody accounts and AuMs reached USD 23.4 billion at end-December 2025, compared to USD 24.7 billion as at end-December 2024, underscoring a contraction by 5%.

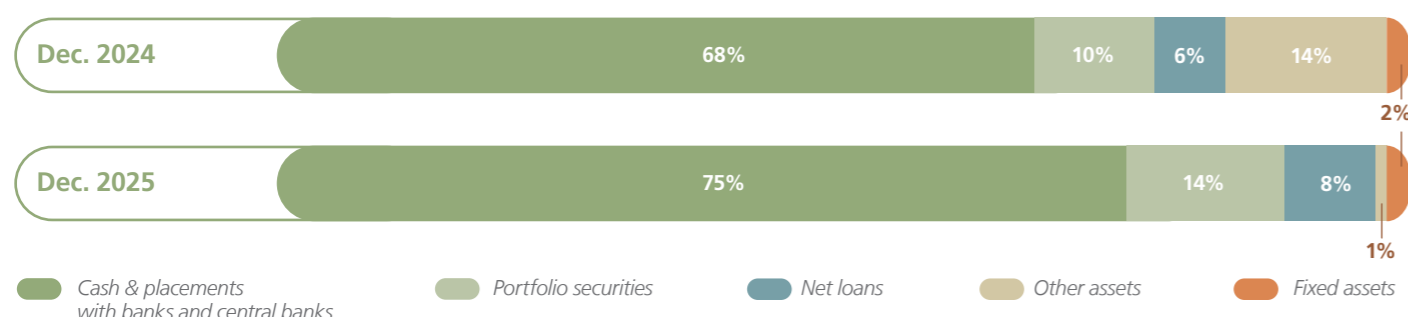
4.2.1. ASSET ALLOCATION BY TYPE

The allocation of consolidated assets continued to favor cash and placements with banks and central banks, which account for close to 75% of total uses as at end-December 2025 (a significant portion of which is denominated in restricted dollars to match the funding in the same currency), followed by a share of 14% for the consolidated portfolio securities, a mere 8% for net loans, 1% for other assets and 2% for fixed assets. This is compared to shares of

68%, 10%, 6%, 14% and 2% respectively as at end-December 2024. This shift of the share of other assets from 14% to 1% across the year is attributed to the impact of the sale and deconsolidation of Odea Bank in March 2025.

The charts below highlight the structure of the consolidated uses as at end-December 2025 compared to end-December 2024:

Assets Breakdown



4.2.1.1. CHANGES IN PLACEMENTS WITH CENTRAL BANKS AND BANKS

The Bank's consolidated placements with central banks and banks, which primarily consist of cash and amounts held at central banks (including free accounts and compulsory reserves, but excluding certificates of deposit issued by the Central Bank of Lebanon),

placements with banks, loans to banks, and reverse repurchase facilities with central banks and financial institutions, moved marginally from USD 11.3 billion as at end-December 2024 to USD 11.4 billion as at end-December 2025.

The table below sets out a breakdown of placements with central banks and banks by type and currency as at end-December 2025:

Placements with Central Bank and Banks (Excluding CDs)

(USD Million)	LBP	USD	EUR	OTHERS	TOTAL
Cash and placements with Central Banks	36	8,362	804	511	9,713
o.w. Reserves requirements	19	986	11		1,016
o.w. Cash deposits	17	7,376	793	511	8,697
Placements with banks	1	1,369	129	202	1,701
Total Placements	37	9,731	933	713	11,414

The Bank's placements in Lebanese Pounds primarily consist of cash and deposits with the Central Bank of Lebanon. These placements fell from USD 49 million at end-December 2024 to USD 37 million by end-December 2025. The USD 12 million drop is principally driven by a USD 15 million of LBP denominated cash placed at the Central Bank of Lebanon within an increase in reserve requirements in LBP by USD 4 million. Within the context of an increase of LBP deposits by USD 17 million during the year, the ratio of placements in Lebanese Pounds to deposits in the same currency dropped from 73.5% as at end-December 2024 to 44.3% by end-December 2025.

USD 11.4 billion as at end-December 2025, up from USD 11.3 billion as at end-December 2024. These placements represented 89% of the consolidated customer deposits denominated in foreign currencies totaling of USD 12.8 billion by end-December 2025. Of these, foreign currency placements in cash deposits with central banks amounted to USD 8.7 billion (up from USD 8.3 billion as at end-December 2024), while reserve requirements amounted to USD 1 billion (down from USD 1.3 billion as at end-December 2024).

Additionally, placements with correspondent banks were stable across both dates at USD 1.7 billion, representing 13.3% of foreign currency-denominated deposits (compared to 13.6% as at end-December 2024), while 75.5% of those deposits were placed with central banks.

The Bank's foreign currency placements, which include cash and short-term deposits with the Central Bank of Lebanon and other central banks (excluding BdL-issued certificates of deposit), reached

4.2.1.2. CHANGES IN SECURITIES' PORTFOLIO

The Bank's securities portfolio, which includes certificates of deposit issued by the Central Bank of Lebanon, Lebanese Pound-denominated Treasury bills, foreign currency-denominated sovereign bonds, non-Lebanese sovereign bonds, other fixed-income instruments, and equity securities, increased by USD 337 million, to USD 2,077 million at end-December 2025 from USD 1,740 million by end-December 2024.

million as at end-December 2025 from USD 149 million as at end-December 2024. The Bank continues to hold as well USD 23 million of Lebanese Tbs to maturity.

The Bank's securities portfolio in foreign currencies increased by USD 330 million in 2025, split principally over a USD 213 million increase in non-Lebanese sovereign securities (principally US TB) and a USD 130 million increase in other fixed income securities.

The increase in the portfolio securities denominated in LBP by USD 7 million reflects market evolution of the fair value of some equity instruments denominated in LBP to stand at USD 154

The following table sets out the distribution of the Bank's securities portfolio by type of security as at the dates indicated:

Portfolio Securities Breakdown

(USD Million)	Dec-24	Dec-25	Change in Volume	Change in %
Central Bank of Lebanon certificates of deposit	651	651	-	-
Foreign currency-denominated	651	651	-	-
Net Lebanese Treasury bills and Eurobonds	97	89	-8	-8.2%
LBP-denominated	23	23	-	-
Foreign currency-denominated	74	66	-8	-10.8%
Risk-ceded government Eurobonds	10	10	-	-
Foreign currency-denominated	10	10	-	-
Other non-Lebanese sovereign securities	392	605	213	54.3%
USD	204	499	295	144.6%
EUR	188	106	-82	-43.6%
Other fixed income securities	438	568	130	29.7%
Foreign currency-denominated	438	568	130	29.7%
Equity securities	153	155	1	0.7%
LBP-denominated	125	132	7	5.6%
Foreign currency-denominated	28	23	-5	-17.9%
Total portfolio securities	1,740	2,077	337	19.4%

Lebanese Central Bank Certificates of Deposit Portfolio

The Bank's exposure to the Central Bank of Lebanon through certificates of deposit in foreign currency remained unchanged and standing at USD 651 million as at end-December 2025. When including free account placements and reserves at the Central Bank in foreign currencies net of borrowings from BdL, total net exposure to BdL in foreign currencies reached USD 9,420 million as of end-December 2025, down from USD 9,755 million at end-December 2024. This amount is net of an Expected Credit Loss (ECL) of USD 195 million, which remained unchanged till date. Meanwhile the Bank is allocating profits from restricted funds and unrealised gains on certain financial instruments to provisions for risk and charges with an aim to allocate those to any asset as needed until such time when a recovery plan is in place.

Exposure to Lebanese Securities

The Group's exposure to Lebanese securities decreased by USD 8 million in 2025, dynamically reflecting on one hand changes in the market valuations as those instruments are mostly held in the Fair value thru Profit and Loss portfolio and on the other net sale transactions. The exposure to Lebanese sovereign Eurobonds, net of ECLs, stood at USD 66 million as at end-December 2025 compared to USD 73 million as at end-December 2024.

Non-Lebanese Sovereign Securities

The Bank's exposure to non-Lebanese sovereign risk increased by USD 213 million in 2025, from USD 392 million as at end-December 2024 to USD 605 million as at end-December 2025. The increase was driven by a USD 295 million increase in USD-denominated securities offsetting an USD 82 million decrease in

Euro-denominated securities. As at end-December 2025, the non-Lebanese sovereign bonds constituted 29.1% of the total securities portfolio, compared to 22.5% at the end of December 2024. They represented 4.7% of foreign currency-denominated customer deposits, up from 3.2% at the end of 2024.

Other International Fixed Income Securities

The Bank's exposure to other international fixed income securities increased by USD 130 million in 2025, from USD 438 million as at end-December 2024 to USD 568 million as at end-December 2025. This rise is mainly due to the increase of corporate issuers by USD 152.6 million offsetting a decrease of the bonds portfolio related to banks and financial institutions issuers by USD 21.7 million, and. The portfolio is now more concentrated on banks and financial institutions issuers which represent 55.3% of the total portfolio compared to 76.7% as at end-December 2024, while corporate issuers accounted for 44.8% compared to 23.3% as at end-December 2024.

IFRS Classification of Portfolio Securities

The classification of the Bank's securities portfolio across various asset classes is determined by each Group entity's business model for managing financial assets and the contractual cash flow characteristics of these assets. Initially, all assets are measured at fair value plus, for financial assets not valued at fair value through profit or loss, the specific transaction costs. Subsequently, assets are measured at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The table below sets out the distribution of the Bank's securities portfolio by asset class and currencies as follows:

Portfolio Securities by Asset Class

(USD Million)	Dec-24	Dec-25	Change in Volume	Change in %
Financial assets held at FVTPL	141	340	199	141.1%
Foreign currency-denominated	141	340	199	141.1%
Financial assets designated at fair value through OCI	341	474	133	39.0%
LBP-denominated	124	131	7	5.6%
Foreign currency-denominated	217	343	126	58.1%
Financial assets classified at amortised cost	1,258	1,263	5	0.4%
LBP-denominated	23	23	-	-
Foreign currency-denominated	1,235	1,240	5	0.4%
TOTAL PORTFOLIO SECURITIES	1,740	2,077	337	19.4%
LBP-denominated	147	153	6	4.1%
Foreign currency-denominated	1,593	1,924	331	20.8%

As at end-December 2025, financial assets classified at amortized cost represented 60.8% of the portfolio, down from 72.3% as at end-December 2024 while assets designated at FVOCI increased to 22.8% from 19.6% and assets held at FVTPL increased from 8.1% to 16.4% during the same period.

The following table sets out the distribution of financial assets classified at amortized cost by type of security, as at end-December 2025 as compared to end-December 2024:

Distribution of Financial Assets Classified at Amortised Cost by Type

(USD Million)	Dec-24	Dec-25	Change in Volume	Change in %
Central Bank of Lebanon Certificates of Deposit	652	652	-	-
Net Lebanese Treasury Bills and Eurobonds	13	12	-1	-7.7%
Risk-ceded Government Eurobonds	10	10	-	-
Other non-Lebanese sovereign securities	347	340	-7	-2.0%
Other fixed income securities	236	249	13	5.5%
Financial assets classified at Amortized Cost	1,258	1,263	5	0.5%

The distribution of financial assets classified at amortized cost by security type remained stable across both dates. The portfolio was primarily composed of Certificates of Deposit (CDs) issued by the Central Bank of Lebanon (BdL), accounting for 51.6% of the amortized cost assets. This is consistent with trends observed in

previous years. Other non-Lebanese sovereign bonds accounted for 26.9% while other fixed income securities had a share of 19.7% with the remainder accounted for by Lebanese sovereign securities. This is compared to shares of 51.9%, 27.6% and 18.8% respectively as at end-December 2024.

4.2.1.3. LOAN PORTFOLIO

In 2025, Lebanon witnessed gradual improvements in its economic and political environment, supported by reforms, enhanced government and institutional stability, relative stabilization of the Lebanese pound, and increased external inflows. These developments strengthened business confidence and supported a recovery in certain sectors, enabling selective credit expansion and new lending opportunities. Nevertheless, lending activity in the Lebanese market remains prudent and not widely open, given ongoing liquidity constraints and the continued impact of the October 2019 crisis.

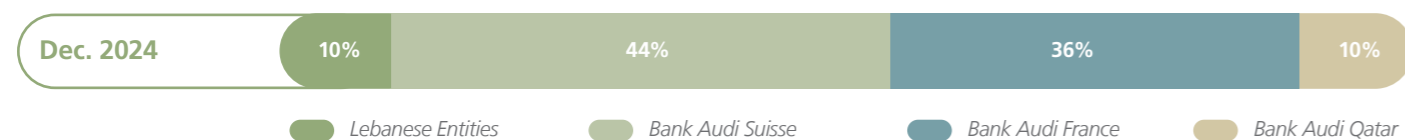
What follows is a discussion of the main drivers behind the evolution of the consolidated loan portfolio during 2025:

The Bank's consolidated loan portfolio grew by 18.4% in 2025, reaching USD 1.14 billion, up from USD 963 million at end-December 2024. The USD 177 million increase was mainly driven by growth in Bank Audi France sa by USD 85 million, in Lebanese entities by USD 58 million, in Banque Audi (Suisse) SA by USD 41 million within a decrease in loans of Bank Audi LLC (Qatar) by USD 13 million.

Net consolidated loan portfolio showed the following distribution highlighting as of end-December 2025 a share of 41% for Banque Audi (Suisse) SA (Lombard loans), 37% for Bank Audi France sa, 15% for entities operating in Lebanon, and 7% for Bank Audi LLC (Qatar). This distribution reflects a slight shift from 44%, 36%, 10% and 10% respectively at end-December 2024.

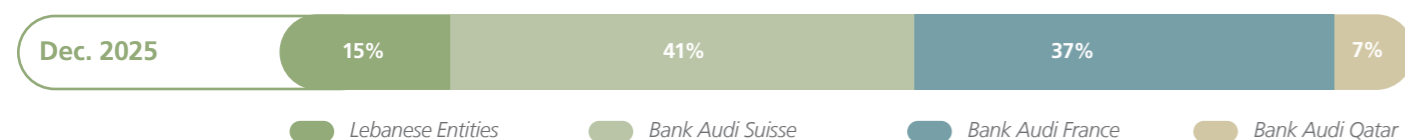
Breakdown of Consolidated Net Loans & Advances by Entity as at End - December 2024 (USD Million) - Excluding Odea

(USD Million)



Breakdown of Consolidated Net Loans & Advances by Entity as at End - December 2025 (USD Million)

(USD Million)



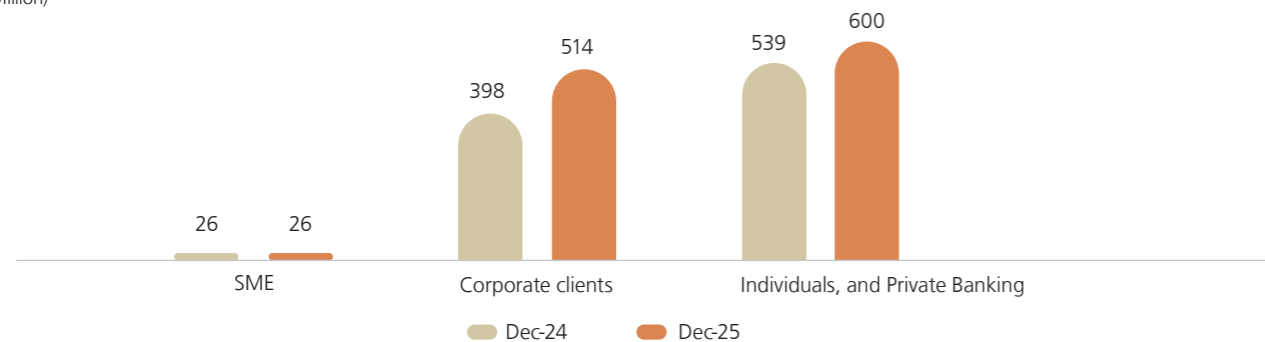
Analysis of Loans by Type of Borrower

The distribution of the Bank’s consolidated loan portfolio by type of borrower continues to show a concentration in the personal & private banking, which constitutes 53% of the loan book as at end-December 2025, mainly due to Banque Audi (Suisse) SA, with corporate loans as the next largest segment with 45% of the portfolio.

The predominance of loans to personal and private banking reflects the Bank’s effort to capture growth opportunities in the private and retail markets across countries of presence. At the same time, the significant share of corporate loans underscores the bank’s longstanding relationships and established presence in the corporate sector.

Breakdown Of Consolidated Net Loans & Advances by Type of Customer (USD Million)

(USD Million)



Analysis of Loans by Economic Sector

In 2025, Wholesale & Retail Trade recorded the most notable increase, rising from USD 156 million as at end-December 2024 (16% of the loan portfolio) to USD 256 million as at end-December 2025 (22% of the loan portfolio), representing an increase by USD 100 million (64%).

This increase in Wholesale & Retail Trade is broadly driven by: 1- Entities operating in Lebanon contributing approximately USD 55 million, with Wholesale & Retail Trade in those entities rising from USD 17 million (15% of the loan portfolio) at the end December 2024 to USD 71 million (42% of the loan portfolio) as at end-December 2025.

2- Bank Audi France sa contribution rose to USD 44 million, with Wholesale & Retail Trade increasing from USD 116 million as at end-December 2024 to USD 160 million as at end-December 2025. Over the same period, Manufacturing Industries also expanded from USD 51 million (5%) to USD 97 million (9%), reflecting an

increase of USD 46 million (+90%). This increase is mainly driven by Bank Audi France sa, contributing by more than USD 30 million. Private Banking sector increased by USD 39 million in 2025, from USD 438 million at end-December 2024 to USD 477 million at end-December 2025.

Breakdown of Net Loans & Advances in Entities Operating outside Lebanon by Economic Sector

(USD Million)	Dec-24*		Dec-25	
	Volume	Share in %	Volume	Share in %
Private Banking	438	46%	477	42%
Developers & Real Estate Services	116	12%	121	11%
Non-Bank Financial Entities	63	7%	55	5%
Wholesale Trade	156	16%	256	22%
Manufacturing Industries	51	5%	97	9%
Other loans	139	14%	134	11%
Total	963	100%	1,140	100%

* Excluding Odea Bank

Analysis of Loans by Maturity

As at end-December 2025, the portfolio remains predominantly short-term oriented, with short-term facilities representing 76% (USD 861 million) of total exposure, followed by long-term facilities at 18% (USD 208 million) and medium-term facilities at 6% (USD 71 million).

by USD 20 million (-9%) and medium-term facilities increased by USD 26 million (57%).

Compared to end-December 2024, short term facilities increased by USD 171 million (+25%), while long-term facilities decreased

The growth in short-term exposure is primarily driven by Lebanese entities and Bank Audi France sa, where short-term facilities increased by USD 55 million and USD 81 million, respectively during 2025, mainly reflecting working capital financing activity.

Breakdown of Consolidated Net Loans & Advances by Maturity since Inception

(USD Million)	Dec-24*		Dec-25	
	Volume	Share in %	Volume	Share in %
Short-term facilities	690	72%	861	76%
Medium-term facilities	45	5%	71	6%
Long-term facilities	228	23%	208	18%
Total	963	100%	1,140	100%

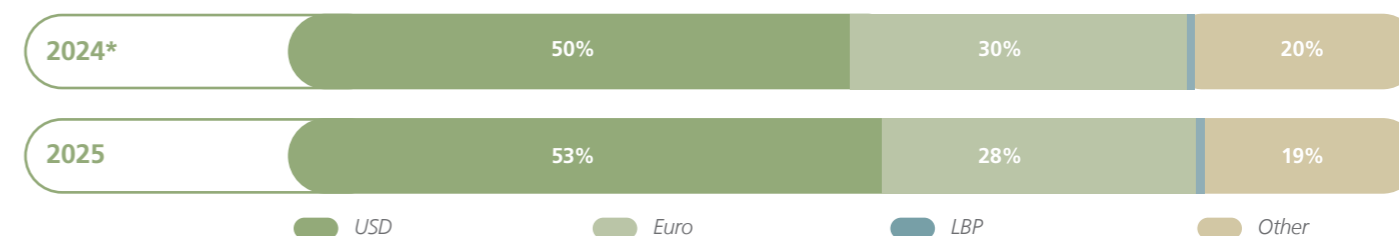
* Excluding Odea Bank

Analysis of Loans by Currency

As at end-December 2025, the Bank’s consolidated net loan portfolio by currency remains primarily concentrated in USD and EUR, which together account for 81% of total net loans.

US dollar continues to be the dominant currency at 53%, reflecting the Bank’s reliance on this stable currency amid the prevailing regional volatility, while EUR represents 28%, supporting transactions in European Markets. The overall currency composition remains broadly stable compared to end-December 2024.

Breakdown of Consolidated Net Loans & Advances by Currency as at End - December



* Excluding Odea Bank

Analysis of Loans by Type of Collateral

As at end-December 2025, the distribution of the consolidated net loan portfolio highlights the reliance on various forms of collateral. 60% of the net loan portfolio was secured, indicating a strong emphasis of collateralization, which enhances credit

risk management, 27% of the net loan portfolio is secured by corporate or personal guarantees, while the remaining 13% share is unsecured.

Breakdown of Consolidated Net Loans & Advances by Collaterals

(USD Million)	Dec-24*		Dec-25	
	Volume	Share in %	Volume	Share in %
Secured	596	62%	683	60%
<i>Cash co. & bank guarantee</i>	168	28%	183	27%
<i>Real estate mortgage</i>	149	25%	130	19%
<i>Securities (bonds & shares)</i>	279	47%	362	53%
<i>Vehicles</i>			8	1%
Corporate or personal guarantees	184	19%	314	27%
Unsecured	183	19%	143	13%
Total	963	100%	1,140	100%

* Excluding Odea Bank

Loan Quality

The consolidated net loan portfolio grew to USD 1.14 billion in 2025, up by USD 177 million, driven by an increase in gross terms by USD 228 million in corporate loans and by USD 27 million in retail loans, partly offset by a USD 78 million decrease in Stage 2 and 3 classified clients corporate loans.

Credit-impaired loans fell USD 31 million to USD 220 million, thanks to collection efforts in Lebanon (USD 28 million corporate, USD 3 million retail).

Despite this, Stage 3 allowances rose USD 16 million, boosting the coverage ratio to 98.9% (vs 80.2% in 2024). The impaired loan ratio improved to 16% (vs 20.9% in 2024) reflecting better asset quality and strong loan growth.

Consolidated Loan Quality

(USD Million)	Consolidated		
	Dec-24*	Dec-25	Change Dec-25/Dec-24
Credit-impaired loans	251	220	-31
<i>o.w. Corporate</i>	224	196	-28
<i>o.w. Retail</i>	27	24	-3
Net loans	963	1,140	177
<i>o.w. Corporate</i>	950	1,101	151
<i>o.w. Retail</i>	13	39	26
Allowance for ECL Stage 3	201	217	16
<i>o.w. Corporate</i>	175	193	18
<i>o.w. Retail</i>	26	24	-2
Allowance for ECL Stages 1 & 2	36	13	-23
<i>o.w. Corporate</i>	36	12	-24
<i>o.w. Retail</i>	0	1	1
Credit-impaired loans/Gross loans	20.9%	16.0%	-4.9%
<i>o.w. Corporate</i>	19.3%	15.0%	-4.3%
<i>o.w. Retail</i>	68.9%	37.9%	-31%
Net credit-impaired loans/Gross loans	4.1%	0.2%	-3.9%
<i>o.w. Corporate</i>	4.2%	0.2%	-4.0%
<i>o.w. Retail</i>	2.5%	0.6%	-1.9%
Credit-impaired loans coverage	80.2%	98.9%	18.7%
<i>o.w. Corporate</i>	78.3%	99.0%	20.7%
<i>o.w. Retail</i>	96.4%	98.4%	2.0%
Allowance for ECL Stages 1 & 2/Net loans	3.8%	1.1%	-2.7%
<i>o.w. Corporate</i>	3.8%	1.1%	-2.7%
<i>o.w. Retail</i>	4.0%	3.2%	-0.8%

(*) Excluding Odea

4.2.2. FUNDING SOURCES

As at end-December 2025, consolidated deposits represented 85.3% of total funding sources, compared with 74.1% as at end-December 2024. Likewise, the share of consolidated equity increased from 6.2% as at end-December 2024 to 7.7% of total funding sources as at end-December 2025. These increases were compensated by a reduction in the share of other liabilities in total funding from 16.3% as at end-December 2024 to 5.1% as at end-December 2025, reflecting the USD 2 billion impact of the

deconsolidation of Odea Bank following its sale and a drop of the share of subordinated debt from 1.6% to 0.7% across both dates, representing the USD 150 million decrease in subordinated loan balances following the settlement agreement entered with IFC parties in April 2025. In parallel, the share of Bank deposits also declines from 1.6% as at end-December 2024 to 1.0% as at end-December 2025.

The following table sets out the distribution of the Bank's sources of funding as at the dates indicated:

Breakdown of Funding Sources

(USD Million)	Dec-24	Dec-25	Change in Volume	Change in %
Central Banks' deposits	32	27	-5	-16%
<i>Time deposit</i>	32	27	-5	-16%
Banks' deposits	263	149	-114	-43%
<i>Sight deposits</i>	146	64	-82	-56%
<i>Time deposits</i>	117	85	-32	-27%
Customers' and related parties' deposits	12,416	12,894	478	4%
<i>Sight deposits</i>	7,579	8,308	729	10%
<i>Time deposits, saving accounts and certificates of deposit</i>	4,689	4,491	-198	-4%
<i>Collateral and margins</i>	148	95	-53	-36%
Subordinated loans	268	118	-150	-56%
Other liabilities	2,731	775	-1,956	-72%
Shareholders' equity	1,039	1,159	120	12%
Total	16,749	15,122	-1,627	-9.7%

Changes in Customers' Deposits

Consolidated deposits increased from USD 12.4 billion at end-December 2024 to USD 12.9 billion as at end-December 2025, corresponding to an increase of USD 478 million.

Deposits from entities operating abroad increased by USD 459 million, reflecting increases of deposits in Banque Audi (Suisse) SA by USD 318 million, Bank Audi France SA by USD 112 million, Audi Capital (KSA) cjsc by USD 20 million and Bank Audi LLC (Qatar) by USD 9 million. Lebanese entities accounted for a mere USD 19 million of the increase in consolidated deposits, of which USD 17 million denominated in LBP.

As at end-December 2025, the USD 12.9 billion of consolidated customers' deposits were distributed across the Group's entities as follows: Deposits of Lebanese entities totaled USD 10.4 billion,

comprising USD 84 million in LBP and USD 10.4 billion in foreign currencies (including USD 9.4 billion in restricted deposits). Deposits of Private Banking entities led by Banque Audi (Suisse) SA totaled USD 1.2 billion, while those of Bank Audi France SA and Bank Audi LLC (Qatar) reached USD 1.2 billion and USD 62 million respectively.

Conversely, as at end-December 2024, the USD 12.4 billion of consolidated customers' deposits were distributed across the Group's entities as follows: Deposits of Lebanese entities totaled USD 10.4 billion, comprising USD 67 million in LBP and USD 10.3 billion in foreign currencies (including USD 9.7 billion in restricted deposits). Deposits of Private Banking entities led by Banque Audi (Suisse) SA totaled USD 837 million, while those of Bank Audi France SA and Bank Audi LLC (Qatar) reached USD 1.1 billion and USD 54 million respectively.

Analysis of Customers' Deposits by Business Segment

The following table sets out the breakdown of consolidated customers' deposits over business segments as at end-December 2025 as compared to end-December 2024:

Breakdown of Customers' Deposits by Segment

(USD Million)	Dec-24		Dec-25		Change Dec-25/Dec-24	
	Volume	Share in %	Volume	Share in %	Volume	Share in %
Deposits from customers and related parties	12,416	100.0%	12,894	100%	478	
Corporate & SME Banking	1,218	9.8%	1,182	9.2%	-36	-0.6%
Retail, Personal & Public Banking	11,198	90.2%	11,712	90.8%	514	0.6%

In 2025, the increase of consolidated customers' deposits is skewed in absolute terms towards Retail & Personal Banking deposits. The latter increased by USD 514 million during the year, from USD 11.2 billion as at end-December 2024 to USD 11.7 billion as at end-December 2025. Subsequently, the share of those deposits in total consolidated customers' deposits increased slightly from 90.2% as at end-December 2024 to 90.8% as at end-December 2025.

Corporate & SME banking deposits contracted in parallel during 2025 by USD 36 million to stand at USD 1.18 billion as at end-December 2025 compared to USD 1.22 billion a year before. Consequently, the share of Corporate & SME Banking in total consolidated deposits decreased from 9.8% as at end-December 2024 to 9.2% as at end-December 2025.

Analysis of Customers' Deposits by Type

The following chart sets out the Bank's consolidated customers' deposits by type as at end-December 2025 and as at end-December 2024:

Breakdown of Customers' Deposits by Type

(USD Million)	Dec-24		Dec-25		Change Dec-25/Dec-24	
	Volume	Share in %	Volume	Share in %	Volume	Share in %
Deposits from customers and related parties	12,416	100.0%	12,894	100.0%	478	
Sight deposits	7,579	61.0%	8,308	64.4%	729	3.4%
Time deposits	4,689	37.8%	4,491	34.8%	-198	-2.9%
Margin deposits	137	1.1%	86	0.7%	-51	-0.4%
Others deposits	11	0.1%	9	0.1%	-2	0.0%

In 2025, the increase in consolidated customers' deposits by USD 478 million reflected an increase in sight deposits (including margin and other deposits) by USD 676 million within a decrease in time deposits (including saving accounts and certificates of deposit) by USD 198 million.

Accordingly, sight deposits continue to account for the majority of total deposits as at end-December 2025 with a share of 65.2%, up from 62.2% as at end-December 2024. Consolidated sight and other

short-term deposits stood at USD 8.4 billion as at end-December 2025, compared to USD 7.7 billion as at end-December 2024.

On the other hand, time deposits stood at USD 4.5 billion as at end-December 2025, compared to USD 4.7 billion as at end-December 2024, representing 34.8% of total deposits as at end-December 2025 compared to 37.8% as at end-December 2024.

Analysis of Customers' Deposits by Maturity

The following table sets out the maturity profile of the Bank's consolidated customers' deposits as at end-December 2025 and as at end-December 2024:

Breakdown of Deposits by Maturity

(USD Million)	Dec-24		Dec-25		Change Dec-25/Dec-24	
	Volume	Share in %	Volume	Share in %	Volume	Share in %
Less than 1 month	11,449	92.2%	12,033	93.3%	584	1.1%
1-3 months	522	4.2%	455	3.5%	-67	-0.7%
3-12 months	411	3.3%	372	2.9%	-39	-0.4%
Less than 1 year	12,382	99.7%	12,860	99.7%	478	-
1-5 years	15	0.1%	5	0.0%	-10	-0.1%
Over 5 years	19	0.2%	29	0.3%	10	0.1%
More than 1 year	34	0.3%	34	0.3%	0	-
Total	12,416	100%	12,894	100.0%	478	

The share of customers' deposits with maturities of less than one year within consolidated deposits was stable in 2025, standing at 99.7% across both dates, reflecting a predominance of sight deposits and a customer preference in entities operating outside Lebanon for placing savings in less than one year deposits to capitalize on higher interest rates. The larger share of sight deposits in total deposits

particularly in Lebanese entities has no impact on the stickiness of deposits given that since October 2019, informal capital controls have been in effect in Lebanon, significantly restricting both outbound and inbound deposit flows. The remaining 0.3% primarily consisted of deposits with maturities above five years.

Analysis of Customers' Deposits by Currency

The following table sets out the distribution of the Bank's customers' deposits by currency as at end-December 2025 as compared to end-December 2024:

Breakdown of Deposits by Currency

(USD Million)	Dec-24		Dec-25		Change Dec-25/Dec-24	
	Volume	Share in %	Volume	Share in %	Volume	Share in %
Lebanese Pound	67	0.5%	84	0.6%	17	0.1%
US Dollars	10,922	88.0%	11,114	86.2%	192	-1.8%
Euro	1,146	9.2%	1,334	10.3%	188	1.1%
Other currencies	281	2.3%	362	2.9%	81	0.6%
Total	12,416	100%	12,894	100.0%	478	

The share of customer deposits in Lebanese Pounds (LBP) increased from 0.5% as at end of December 2024 to 0.6% as at end-December 2025. During the same period, the percentage of customer deposits held in US Dollars decreased from 88.0% to 86.2%, yet continuing to

solidify its status as the dominant currency in consolidated deposits. The share of deposits in Euros saw an improvement, reaching 10.3% of total deposits, while the share of other currencies increased from 2.3% to 2.9%.

Subordinated Debt

As at end-December 2025, the Bank continued to have 1 unsecured subordinated loan of an aggregate amount of USD 118 million (including interest accruals), compared to an aggregate amount of USD 268 million as at end-December 2024. Below is a detailed description of the outstanding loan:

USD 116,560,000 Due 19 April 2027 – 5%

In September 2013, the Bank issued USD 350 million of subordinated unsecured bonds. The repayment date for the bonds was 16 October 2023, subject to early redemption or acceleration.

Earlier in 2022, the Bank proceeded to the conversion of the USD 347 million subordinated debt maturing in 2023 into new unsecured subordinated notes under Lebanese law, the 2022 subordinated notes, that includes a put option at the discretion of the noteholder who may choose to redeem the note at 90.5% of the principal amount. As at 19 May 2022, holders of notes representing approximately USD 230 million had exercised the put option out of USD 347 million outstanding (66% of the total).

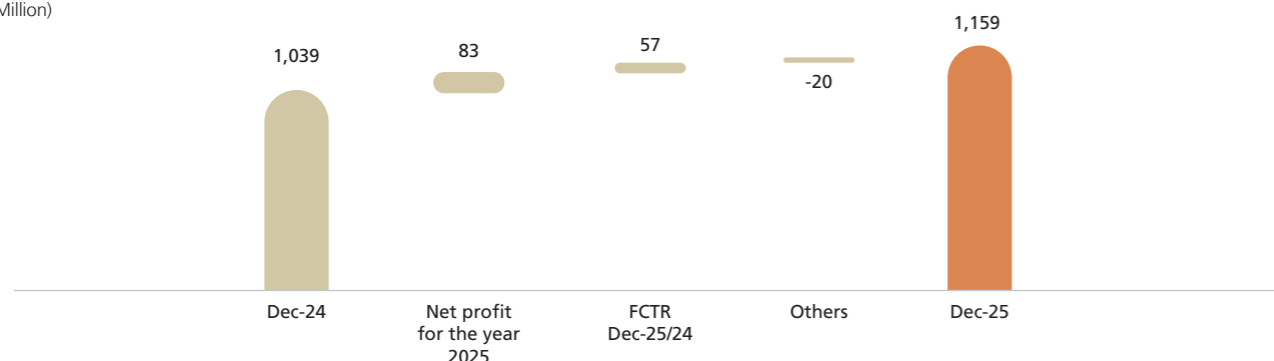
Shareholders' Equity

In 2025, Bank Audi's consolidated shareholders' equity increased by USD 120 million, from USD 1,039 million as at end-December 2024 to USD 1,159 million as at end-December 2025. This increase is mainly attributed to booking of profits generated during the year to be added to a positive effect of the appreciation of EUR and CHF (functional currencies of European entities of the Group), on the backdrop of the allocation of profits from restricted funds and unrealised gains to provisions for risk and charges.

The chart below highlights the evolution of consolidated in 2025, split over the most significant components:

Evolution of Shareholders' Equity in 2025

(USD Million)



In relative terms, consolidated equity accounted for 7.7% of consolidated assets at end-December 2025, increasing from 6.2% as at end-December 2024.

Capital Adequacy

The following table sets out the Bank's capital adequacy ratios as at end-December 2025 and end-December 2024:

Capital Adequacy Ratio

(USD Million)	Dec-24	Dec-25	Change Dec 25/24
Risk-weighted assets	14,568	11,972	-2,596
o.w. Credit risk	12,893	11,029	-1,864
o.w. Market risk	618	263	-355
o.w. Operational risk	1,057	680	-377
Tier 1 capital	819	935	116
o.w. Common Tier 1	809	925	116
Tier 2 capital	263	138	-125
Total regulatory capital	1,082	1,073	-9
Common Tier 1 ratio	5.55%	7.72%	2.17%
+ Additional Tier 1 ratio	0.07%	0.08%	0.01%
= Tier 1 ratio	5.62%	7.81%	2.19%
Tier 2 ratio	1.81%	1.15%	-0.66%
Total ratio	7.43%	8.96%	1.53%
Minimum capital requirements^(*)			
Common Tier 1 ratio	4.50%	4.50%	
+ Additional Tier 1 ratio	1.50%	1.50%	
= Tier 1 ratio	6.00%	6.00%	
Tier 2 ratio	2.00%	2.00%	
Total capital ratio	8.00%	8.00%	

^(*) For bearance treatment waving the capital conservation buffer of 2.5% for years 2024 2025.

Notwithstanding the registered increase by USD 120 million in consolidated equity in 2025, regulatory capital was almost stable during the year, standing at USD 1,073 million as at end-December 2025, compared to USD 1,082 million as at end-December 2024. The stable evolution reflects a dynamic change across the different components of regulatory capital. CET 1 capital increased by USD 116 million in 2025 to stand at USD 935 million as at end-December 2025, while tier 2 capital decreased by USD 125 million during the year because of the deconsolidation of Odea Bank translating in a wiping out of the minority share and the derecognition of the Odea Bank's subdebt. The increase in CET1 capital represents principally the incorporation of USD 83 million of net profits in addition to USD 57 million of positive change of foreign currency translation reserve.

In parallel, consolidated risk weighted assets decreased by USD 2.6 billion in 2025 from USD 14.6 billion as at end-December 2024 to USD 12.0 billion as at end-December 2025. USD 1.9 billion of this decrease is attributed to the completion of the sale of Odea Bank and its subsequent deconsolidation from the Group, while the remainder USD 0.7 billion decrease is justified principally by the beneficial impact of maturing portfolio securities on applicable weights, dropping from 150% to 50%.

Based of the above evolutions, the total capital adequacy ratio of the Bank improved during the year. As at end-December 2025, the consolidated CET1 and Tier one ratios stood respectively at 7.7% and 7.8% compared to 5.5% and 5.6% respectively as at end-December 2024, while the consolidated capital adequacy ratio stood at 9.0% compared to 7.4% as at end-December 2024. These figures are compared to the regulatory minimums of 4.5%, 6.0%, and 8.0%, respectively, excluding the capital conservation buffer of 2.5%.

4.3. RESULTS OF OPERATIONS

In 2025, Bank Audi posted consolidated net profits of USD 83 million, compared to a breakeven outcome in 2024. The latter result was consistent with its previously stated policy of fully allocating pre-provision, pre-tax income to provisions for risks and charges. In 2025, Management opted to partially recognize a portion of operating income while booking revenues from restricted funds and unrealised gains in provision for risk and charges, marking a measured deviation from the aforementioned approach, primarily to reinforce the Bank's equity base and ensure that capital adequacy ratios meet and, where possible, exceed applicable regulatory thresholds.

Despite this adjustment, the stock of provisions for risks and charges increased by USD 130 million during the period, rising from USD 371 million at end-December 2024 to USD 501 million at end-December 2025. This balance comprises USD 10 million denominated in Lebanese Pounds and USD 459 million in restricted USD and USD 32 million of unrestricted USD. This stock of provisions gives the Bank sufficient flexibility to deploy these provisions across asset classes as

required, until the implementation of a comprehensive resolution framework.

The provisions for risk and charges recognized in 2025 should be viewed alongside previous allocation to provisions for risk and charges as well as other exceptional expenses incurred on a yearly basis since the onset of the Lebanese crisis in October 2019. In this context, non-recurring expenses amounted to USD 75 million in 2025 compared to USD 173 million in 2024.

The table below presents the evolution of consolidated normalized results for 2025 relative to 2024, excluding in the line-by-line structure the non-recurring operations incurred during the period. Non recurring expenses and the results of discontinued operations referring to the results of Odea Bank sold in March 2025, are disclosed separately.

Summarised Normalised Consolidated Income Statement

(USD Million)	2024	2025	Change YOY 2025/2024	
			in Volume	in %
Interest income ⁽¹⁾	236	227	-9	-3.8%
Net of taxes on financial investments	-6.2	-5.7	0.5	8.1%
Non-interest income	132	137	5	3.8%
Total income	368	364	-4	-1.0%
Operating expenses	178	192	14	7.9%
Credit expense	-3	7	10	333.0%
Income tax	10	13	3	30.0%
Total expenses	185	212	27	14.6%
Net profits after tax (Normalised from continuing operations)	183	152	-31	-16.9%
Results of discontinued operations	-10	2	12	120.0%
Net profits after discontinued operations	173	154	-19	-11.0%
+ One-offs	-173	-71	102	59.0%
= Net profit after tax and one-offs	0	83	83	

⁽¹⁾ Includes interest revenues from financial assets at FVTPL.

What follows is an analysis of the evolution of consolidated normalised results in 2025, relative to 2024.

In 2025, Bank Audi's normalized net profits after tax, before the results of discontinued operations, contracted by 16.9% to USD 152 million from USD 183 million in 2024. By geography, the latter represent a 18.6% year-on-year decrease in normalized net profits of Lebanese entities from USD 138.7 million in 2024 to USD 112.9 million in 2025 on the backdrop of scaling of the cost base reflecting inflationary adjustments.

The decrease in the contribution of foreign entities to consolidated profits is mostly attributed to Banque Audi (Suisse) SA reporting net profits of USD 15.8 million in 2025 compared to USD 21.5 million

INTEREST INCOME

In 2025, consolidated net interest income (net of taxes) decreased by USD 9 million, from USD 236 million in 2024 to USD 227 million in 2025, i.e. a contraction by 3.8%, justified by a compression in yields on BdL exposure from regulatory-driven dynamics along with the impact of the decrease in international reference rates on liquidity placements across entities during the year. Entities operating in Lebanon recorded most of the decrease with a USD 9.3 million decline from USD 154.2 million in 2024 to USD 144.9 million in 2025. Entities operating outside Lebanon registered a slight decrease in their contribution to consolidated interest income

NON-INTEREST INCOME

In parallel, normalized consolidated non-interest income rose by 3.8% in 2025 or USD 5 million, increasing from USD 132 million in 2024 to USD 137 million in 2025. By geography, normalized non-interest income of Lebanese entities increased from USD 70.4 million to USD 75.1 million. This USD 4.7 million increase reflects USD 3.9 million additional commission income and gains on financial instrument and on foreign exchange trading.

Concurrently, non-interest income generation in entities abroad expanded from USD 61.0 million in 2024 to USD 62.3 million in

COST OF CREDIT

In 2025, consolidated impairment cost allocation reached USD 7 million versus a net release of USD 3 million in 2024 booked at Bank Audi France sa. The USD 7 million allocation in 2025, reflects an allocation by USD 2.8 million in Lebanese entities and justified by the

TOTAL OPERATING EXPENSES

In 2025, the Bank's consolidated normalized total operating expenses rose by 7.9%, from USD 178 million in 2024 to USD 192 million —an increase by USD 16 million. General operating expenses of Lebanese entities have increased from USD 85.8 million in 2024 to USD 100.7 million in 2025, corresponding to an increase of USD 14.9 million, driven by the run rate impact of the salary increases effected

last year, to be followed by Audi Capital (KSA) cjsc registering a loss by USD 4.1 million in 2025 mostly due to losses on equity instrument booked at Fair value through PL along with higher operational cost tied to rolling new initiatives compared to a profit of USD 0.6 million last year. In parallel, Bank Audi France sa, Bank Audi LLC (Qatar) and other foreign entities registered year-on-year growth in the contribution to consolidated profits reaching USD 17.7 million, USD 8 million and USD 0.6 million respectively in 2025 compared to USD 17.3 million, USD 5.3 million and USD 0.1 million respectively in 2024.

In what follows, we analyse the line-by-line flows of normalised profits in 2025 relative to 2024.

from USD 82.1 million in 2024 to USD 81.8 million in 2025.

In relative terms, the larger contraction in consolidated average asset (10.7%) totally offset the contraction in consolidated net interest income translating in a slight increase in consolidated net spread from 1.40% in 2024 to 1.50% in 2025. Spread of Lebanese entities was sustained at 1.13% in 2025 compared to 1.15% in 2024.

2025, an increase by USD 1.3 million, reflecting USD 4.1 million of additional net commission generation and USD 1 million of additional gains on foreign exchange operation, offsetting additional losses on financial instruments by USD 3.8 million attributed to a decrease in income from financial instruments.

Normalized non-interest income represented 0.91% of average assets as at end-December 2025, compared to 0.78% as at end-December 2024.

extension of new loans, within a contribution of foreign entities of USD 4.5 million, of which USD 4.1 million at Bank Audi France's level while Bank Audi LLC (Qatar) accounts for the remainder amount.

late 2024 in addition to the impact of the rampant inflation in Lebanon on other operating expenses. Staff expenses of Lebanese entities increased by USD 5.9 million during the year while other operating expenses by USD 7.4 million within a USD 1.7 million increase in depreciation costs. In parallel, contributions from entities outside Lebanon increased by USD 0.5 million, reflecting an increase

in staff expenses by USD 7 million and in depreciation largely offset by a contraction in other operating expenses by USD 7.5 million. The latter is justified by a provision for Lebanon risk allocated by Bank Audi France sa in 2024. Adjusting to this provisions other operating

expenses of entities operating abroad would have increased by USD 2.5 million in 2025 to reflect the development initiatives in Banque Audi (Suisse) SA and Audi Capital (KSA) cjsc in addition to the general inflationary impact.

INCOME TAX

Consolidated income taxes from normalized continuing operations moved from USD 10 million in 2024 to USD 13 million in 2025.

RESULTS FROM DISCONTINUED OPERATIONS

In 2023, due to Odea Bank's significant capital needs to sustain growth amid the ongoing devaluation of the Turkish Lira, the Board of Directors of Bank Audi sal decided to divest its investment in the Turkish subsidiary. Up until the completion of the transaction on 28 March 2025, Odea Bank's operations were classified as a discontinued operation in accordance with IFRS. As a result, its

financials were not included in the Income Statement on a line-by-line basis. Instead, the net profits from this discontinued operation in 2023 and in 2024 were reported under "results from discontinued operations. Those results amounted to USD 2 million in 2025 compared to a loss of USD 10 million in 2024.

COMPONENTS OF ROAA AND ROAE

The Bank's profitability ratios in 2025 continued to be distorted by the magnitude of the one-off flows. The analysis at consolidated level, excluding the one-off flows and discontinued operations,

reveals that the return on average assets stood at 1.0% as at end-December 2025 compared to 1.1% as at end-December 2024. The table below sets the evolution of key performance indicators in 2025:

Key Performance Metrics^(*)

	2024	2025	Change
Spread	1.40%	1.50%	0.10%
+ Non-interest income/AA	0.77%	0.91%	0.14%
= Asset utilisation	2.17%	2.41%	0.24%
X Net operating margin	49.73%	41.62%	-8.11%
<i>o.w. Cost to income</i>	48.17%	52.89%	4.72%
<i>o.w. Provisions</i>	-0.73%	2.01%	2.74%
<i>o.w. Tax cost</i>	2.83%	3.48%	0.65%
= ROAA	1.08%	1.00%	-0.08%
X Leverage	16.78	14.81	-1.97
= ROAE	18.13%	14.84%	-3.29%
ROACE	18.35%	14.99%	-3.36%

^(*) Based on Normalized Consolidated Income Statement excluding one off flows & discontinued Operations.

4.4. PRINCIPAL BUSINESS ACTIVITIES

4.4.1. COMMERCIAL AND CORPORATE BANKING

In 2025, global markets continued to navigate the aftermath of geopolitical tensions and monetary policy adjustments, though inflationary pressures showed signs of moderation across major economies. In Lebanon, the restoration of political stability following the presidential election and cabinet formation in early 2025 created renewed momentum for structural reforms. The passage of the Bank Resolution Law in July 2025 and the subsequent approval by the Council of Ministers of the draft Financial Gap Law in December 2025 reflect ongoing efforts toward establishing a permanent framework for the banking

sector. The Financial Gap Law remains pending parliamentary enactment, and the Bank continues to monitor developments while maintaining operational readiness for a potential transition toward normalized sector conditions.

Throughout the year, the Lebanese private sector demonstrated remarkable resilience. Bank Audi remained steadfast in supporting clients through trade finance, working capital facilities, and other essential banking services to sustain business continuity and preserve productive capacity. Notably, the Bank leveraged its

foreign subsidiaries, notably Bank Audi France sa and Bank Audi LLC (Qatar), to provide medium-term financing solutions for capex

Consolidated Portfolio Performance

As at end-December 2025, total consolidated net lending by Corporate and Commercial Banking across Lebanon, France, Qatar and Switzerland stood at USD 1.10 billion, compared to USD 0.95 billion as at end-December 2024.

In Lebanon, net loans to corporate and commercial clients stood at USD 110 million as at end-December 2025 (compared to USD 93 million at end-December 2024). The Bank pursued a selective new lending strategy focused on key clients, aimed at building a solid portfolio while supporting the real economy and the Lebanese private sector. Portfolio quality remained high, reflecting disciplined underwriting and proactive monitoring. New exposures were carefully structured with emphasis on liquidity generation and sustainability of client cash flows.

Sustainability Considerations

Environmental, Social and Governance (ESG) considerations were increasingly integrated within the Bank's Corporate and Commercial Banking activities. Lending appetite remained selective and focused on core productive sectors that contribute to economic continuity, employment, and long-term resilience. Financing

Outlook

Looking ahead, Bank Audi's Corporate and Commercial Banking enters 2026 with cautious optimism. The legislative progress achieved in 2025 provides greater visibility regarding the evolving regulatory environment, and the Bank stands ready to contribute to Lebanon's economic activity through responsible and selective lending once the regulatory framework is finalized. In the interim, the Bank will continue to support its clients with trade finance,

4.4.2. RETAIL BANKING

Retail banking continues to evolve in response to shifting customer expectations, rapid technological advancement, and a changing operating environment. In this context, the Bank has maintained in 2025 a clear focus on enhancing the customer experience through greater digital integration, simplified processes, and more tailored financial solutions across its client segments. Emphasis was also put on sustainable growth, expansion of non-interest income, and deepening engagement across key client segments, including HNWI, affluent, upper affluent, and mass customers.

Ongoing efforts center on advancing client segmentation, enhancing personalization of banking experiences, and diversifying revenue streams through fee-based services, wealth management, and tailored financial solutions. At the same time,

and working capital needs, ensuring continuity of funding to key relationships' economic activity in Lebanon and abroad.

Bank Audi France sa recorded portfolio growth, with net loans reaching USD 428.6 million (compared to USD 343 million at end-December 2024). The entity recorded favorable evolution in both profitability and portfolio quality, continuing to serve Group clients in their international ventures. Activity levels remained healthy, supported by stable funding conditions and prudent risk management.

Bank Audi LLC (Qatar) delivered solid performance, with net loans standing USD 83 million as at end-December 2025. The entity continued to strengthen its franchise, supporting key clients in their regional and international business activities, including operations in Lebanon. Performance remained strong, with the entity further expanding relationships with corporates engaged in cross-border trade and investment flows, reinforcing its role within the Group's regional network.

decisions take into account sustainability considerations, including resource efficiency, responsible business practices, and the overall durability of clients' business models. Through this approach, the Bank seeks to support the real economy while reinforcing portfolio quality and promoting sustainable value and job creation.

working capital solutions, and medium-term facilities through all of its entities. Across all jurisdictions, the focus remains on disciplined portfolio management, maintaining high asset quality, and delivering value-added services to corporate and commercial clients. The combination of operational readiness, a solid regional footprint, and deep client relationships positions the Bank to adapt effectively as sector conditions evolve.

the Bank pursued a selective lending strategy within the retail segment, aiming to support core client relationships and generate sustainable revenue streams offering a comprehensive suite of lending products, including car loans and personal loans, designed to meet customers' diverse financial needs, in addition to the bancassurance. This approach has, however, been temporarily adjusted considering the recent escalation in geopolitical tensions (since March 2026), with a greater emphasis placed on preserving loan quality, maintaining prudent underwriting standards, and safeguarding the Bank's risk profile.

Over the past year, the Bank sustained the rollout of its digital transformation strategy, further embedding digital channels as the primary interface for individual customers. Continued

enhancements to the digital offering and alternative service channels have supported higher adoption rates, improved accessibility, and more efficient service delivery, while enabling the Bank to respond more effectively to evolving client needs. The below sets out the evolution of neo digital banks as well as that of the Retail Card business of Bank Audi in 2025.

neo digital bank

2025 marks a year of consolidation, acceleration, and scale for neo by Bank Audi, as the platform continues to strengthen its position as a leading digital banking proposition in Lebanon and a key driver of Bank Audi's retail transformation. Building on the successful launch in 2024, neo entered a new phase focused on sustainable growth, deeper customer engagement, and enhanced monetization, while maintaining strong operational resilience and regulatory readiness in a challenging environment.

neo's ambition remains clear: to become the primary digital banking account for the Lebanese, serving as the main financial relationship for everyday banking needs. At the same time, neo aims to transform banking in Lebanon from a place people visit into a seamless part of everyday life, accelerating the nation's transition from a cash-based economy to digital finance.

In a rapidly evolving financial landscape, neo has established itself as a market leader in digital banking in Lebanon, driven by a unique value proposition combining a broad and continuously expanding range of services with a best-in-class user experience. Its fully digital, mobile-first model enables seamless onboarding, instant access to services, and frictionless day-to-day banking, supported by a standalone technology stack that allows rapid innovation and scalability. This positioning has enabled neo to attract a high-quality and diversified customer base, increasingly becoming the primary banking relationship for a growing share of its clients.

Throughout 2025, neo sustained strong growth momentum, increasingly driven by organic acquisition supported by digital channels and strong brand positioning, alongside continued expansion in payroll partnerships across both private and public sectors. This translated into a growing and diversified client base, with a strong presence among salaried individuals, young professionals, and digitally active users. Client engagement remained high, with frequent app usage and low inactivity levels, reflecting neo's ability to integrate into customers' daily financial lives.

A key highlight of 2025 was neo's continued leadership in innovation within the Lebanese market. neo introduced the first end-to-end digital lending experience, allowing clients to apply for loans directly through the app and receive funds digitally without the need to visit a branch. This milestone represents a significant step in simplifying access to credit and redefining the lending journey in Lebanon. In parallel, neo was also the first to introduce multicurrency digital accounts and cards, enabling clients to hold and transact in multiple currencies seamlessly. This offering provides travelers with an optimal payment solution while enabling more convenient and cost-efficient cross-border transactions, further enhancing neo's positioning as a modern, globally aligned digital bank.

neo also continued to expand its ecosystem by addressing multiple customer segments. The neo teens proposition gained further traction, fostering early engagement and financial literacy among younger users. Neo also addressed freelancers, professionals, and SMEs, by enabling digital payment collection and efficient disbursement capabilities with existing and upcoming digital features in the roadmap. These developments reinforce neo's ambition to build a comprehensive digital financial platform serving both individuals and businesses.

The platform's growth has been supported by a healthy evolution in activity and financial performance, with increasing transaction volumes, rising adoption of digital payments, and growing contribution from both fee-based and interest-based income streams. Strong payroll inflows continue to anchor client relationships and support deposit growth, while increasing card usage and feature adoption reflect a progressive shift away from cash toward digital payments.

At the same time, neo has maintained a strong focus on operational excellence and regulatory alignment. Its scalable infrastructure, combined with robust compliance and risk frameworks and a specialized team, ensures readiness to support continued growth and adapt to evolving market and regulatory conditions.

Despite ongoing structural challenges in the Lebanese environment, including macroeconomic uncertainty and continued reliance on cash in certain segments, neo continues to play a central role in advancing digital financial adoption. By combining technological agility, customer-centric innovation, and a cost-efficient operating model, neo is well positioned to support the recovery of the financial sector, drive the transition toward a more digital economy, and redefine the banking experience in Lebanon.

Retail Credit Cards and Debit Cards:

Bank Audi as a market leader continued to drive innovation and reinforce its leadership position in the cards business in 2025 through the successful delivery of two major strategic initiatives.

The first milestone was the introduction of Google Pay in Lebanon, positioning the bank as the first to launch this solution in the local market. This initiative enabled seamless integration of Bank Audi cards into a secure digital wallet, significantly enhancing customer convenience and accelerating the adoption of frictionless, contactless transactions. The launch reflects the bank's ongoing commitment to digital transformation and to delivering best-in-class payment solutions aligned with evolving customer expectations.

In parallel, and in line with the bank's strategy of segmenting its cards business with a targeted focus on UHNW clients, the Cards Department executed two flagship marketing campaigns aimed at high-affluent clients and top spenders.

These campaigns included an exclusive trip to the Cannes Film Festival, offering clients privileged access to one of the world's most prestigious cultural events, as well as a VIP experience at the UEFA Champions League Final, providing premium seating and hospitality.

These campaigns were designed not only as reward mechanisms, but as differentiated value propositions that resonate with the lifestyle and expectations of UHNW clients. By offering access rather than traditional rewards, the bank reinforced its positioning as a provider of exclusive, experience-driven benefits, thereby fostering long-term loyalty among our most valuable customer segments.

Moreover, we implemented a range of media campaigns designed to attract new affluent clientele. These initiatives focused on positioning the bank's credit card offerings as premium lifestyle products, thereby reinforcing brand value and market competitiveness.

4.4.3. PRIVATE BANKING

Bank Audi Private Bank, which provides services to high-net-worth individuals through its network in Europe (Geneva) and the Middle East (Beirut, Riyadh and Abu Dhabi), comprises two main booking entities, namely Banque Audi (Suisse) SA and Audi Capital (KSA) cjsc.

Bank Audi Private Bank offers a full and diversified range of services, with access to major markets worldwide and global investment products, including discretionary portfolio management, investment advisory and trade execution services in all asset classes, structuring and management of Saudi and regional funds, and other Private Banking services. Its main customers are high net worth individuals in Lebanon, Europe and the Gulf region, as well as the Lebanese diaspora in Sub-Saharan Africa and Latin America.

4.4.4. TREASURY AND CAPITAL MARKETS

The year 2025 saw a net improvement in Lebanon's capital markets within the context of the politico-economic breakthrough that took place at the beginning of the year.

With respect to the foreign exchange market, the Lebanese Pound maintained a technically and fundamentally supported stability in 2025. Concurrently, the Central Bank of Lebanon's liquid foreign reserve assets rose steadily all through 2025 to reach USD 11,895 million at end-December 2025 compared to USD 10,135 million at end-December 2024, which marks an expansion of USD 1,760 million over the year. This took place as BdL's FX reserves reported an average monthly growth of USD 147 million over the year 2025, which was mostly tied to significant expansions in the first half of each month. The expansion in BdL's liquid FX reserves in 2025 is mainly the result of BdL intervening on the FX market acquiring Lebanese Pounds trading surpluses from the market, after isolating the part of the rise in FX reserves that is due to interest earned abroad on the foreign held reserves and the impact of the rising Euro/USD exchange rate on the reserves held in Euro.

At the level of the Eurobond market, prices of Lebanese sovereigns rallied in 2025, as traders reacted favorably to key domestic political breakthroughs, starting with Presidential elections, to the formation of a cabinet of qualified experts and to the cabinet's historic August 5 decision on State monopoly over arms. Lebanon's bond price rally

In parallel to the digital activity, the optimization of the Bank's physical footprint continues to be aligned with the strategic direction stated above, with branches more and more focused on higher value-added activities and complex client needs, while routine transactions are increasingly handled through digital and alternative channels as mentioned above. The Bank also continued to reinforce its distribution capabilities through its ATM network and agent partnerships, ensuring continuity of service and broad geographic reach.

Through this balanced approach, the Retail Banking segment continues to support the Group's strategic objectives by combining digital innovation, disciplined growth, and operational adaptability in a rapidly changing environment.

Bank Audi Private Bank entities have consolidated on balance sheet assets and assets under management (comprising of assets under management, fiduciary deposits and custody accounts) reaching USD 6.2 billion at end-December 2025. In Switzerland, Banque Audi (Suisse) SA represents the main Private Banking arm of the Group, with over USD 5.6 billion in AuMs. In Saudi Arabia, Audi Capital (KSA) cjsc serves as the Group's main Private Banking hub for GCC markets, with AuMs of USD 0.6 billion.

The Private Banking entities are well structured, with the same Senior Management team which will progressively ensure better synergy and accountability, effective management, corporate governance, and alignment of business objectives.

was also fueled by continuous efforts to advance the reform agenda and meet necessary requirements to reach a final agreement with the IMF, in addition to bullish recommendations from international investment banks. That being said, prices of Lebanese Eurobonds reached 23.10c at end-December 2025, compared to 12.75c at end-December 2024 and 6c late September 2024. Sovereigns extended their price rally early-2026, hitting 28.50c by the time of writing this report, which is their highest level since Lebanon defaulted on its debt on March 9, 2020.

Lebanon's equity market took a nosedive in 2025, following four consecutive years of strong price rally, as some market players sought to cash in their gains following a significant surge in the "fresh-to-domestic" US dollar ratio that was mainly stoked by promising political developments at the beginning of the year and growing optimism about the reform process. In details, the Beirut Stock Exchange plunged into the red (-23.4%) in 2025, following a strong price rally of 37.8% on average over the 2021-2024 period, mainly as some market players sought to cash in their gains following a remarkable year-to-date climb in the "fresh-to-domestic" US dollar ratio.

Within this market environment, Bank Audi exerted extended efforts to consolidate its financial position and reinforce its financial standing. Treasury and capital markets activity was focused

primarily on strengthening the Bank's capitalization, building up foreign currency liquidity abroad, reducing its commitments and contingencies to parties outside Lebanon, and attracting

new foreign currency deposits, while implementing regulatory requirements.

5.0. EARNINGS ALLOCATION

From 1996 and until 2018, the Board of Directors of the Bank has recommended the distribution to holders of common shares of a dividend payment of at least 30% of after-tax profits in each year.

With the outset of the financial crisis in 2019, the Central Bank set limits on banks' own equity dilution within the perspective of a forthcoming restructuring plan requiring significant contribution from the shareholders' base. Consequently, it issued two circulars impacting the Bank's dividend distribution policy: in November 2019, BdL Intermediary Circular 532 restricted banks operating

in Lebanon from distributing dividends from 2019 profits while Intermediary Circulars 616, 659, 676, 726 and 741 extended the restrictions to annual periods covering years 2020 to 2025.

Pursuant to those circulars, the Board of Directors recommended to the Ordinary General Assembly in its April 2020 meeting not to distribute common and preferred dividends on the 2019 exercise. Board of Directors held in years 2021 to 2025 issued similar recommendations in line with the aforementioned circulars.

6.0. RISK MANAGEMENT

During 2025, and in view of the continued challenges and the absence of a comprehensive reform program implementation in Lebanon, the Group has primarily focused on:

- 1- Enhancing income generation in foreign currency through non-interest income (fees & commissions) as well as interest income by benefiting from relatively favourable global interest rates;
- 2- Strengthening international liquidity position;

- 3- Prudently resuming lending activities in Lebanon;
- 4- Closely managing non-financial risks and in particular litigation, reputational, operational, compliance and cyber security risks and enhancing operational resilience.

Litigation risk continues to be exacerbated by the absence of implementation of needed reforms that address the restrictions imposed by the Lebanese crisis.

6.1. EVOLUTION OF THE GROUP'S RISK MANAGEMENT FRAMEWORK

Scenario Analyses and Simulations

As part of its risk management framework, the Bank relies on scenario and sensitivity analyses to simulate and quantify the impact of potential future and emerging risks on the Bank's main pillars, including solvency, earnings and asset quality.

In Lebanon, the Bank continues to perform these analyses and simulations to assess the impact of various proposed restructuring plans, including the draft Gap Law and its impacts on international liquidity and capital requirements. This proactive approach ensures the Bank remains well prepared and sufficiently resilient to comfortably meet its future financial obligations.

Optimizing Interest Revenues

In an effort to optimize revenue in international dollars and in response to falling US interest rates, the Bank in Lebanon has proactively taken steps to minimize its sensitivity to rates decreases. These actions include lending to retail borrowers at fixed rates, as well as to non-retail borrowers with pricing structures that incorporate floors. This is in addition to investing in high-quality

international bonds with relatively longer maturities to lock in higher rates. These measures have been implemented while strictly complying with Central Bank of Lebanon's liquidity regulations, including the 100% coverage ratio for external accounts and international commitments, as well as the 3% coverage ratio for local FC deposits.

Remedial Measures

Since the start of the Lebanese crisis in October 2019, Bank Audi has been implementing a series of remedial measures aiming at improving, among other, its international liquidity, earning capacity and operational resilience.

These measures were initially focused on: i) ring-fencing foreign entities from Lebanese risk to safeguard their financial positions, ii) replenishing international liquidity mainly through market operations and the divestments of foreign-held assets, iii) meeting

the capital increase requirement of BdL as per its circular 154, iv) implementing cost optimization and organizational restructuring initiatives, and v) relieving liquidity pressure by rescheduling commitments to international financial institutions.

In 2025, the Bank continued to implement measures aimed at enhancing the quality of its earnings both in Lebanon and abroad, as well as optimizing its cost structure. This emphasis on

Cyber Security Management Framework

The Bank continues to focus on strengthening its information and cyber security risk posture. This is in light of growing cyber threats worldwide, including ransomware attacks. The Bank has been actively adopting best practices by streamlining the management of such risks through regular IT security and cyber security updates

7.0. DEPLOYED RESOURCES

7.1. INFORMATION TECHNOLOGY

In 2025, Infostructure, the subsidiary fully owned by Bank Audi group, and its IT services provider, accomplished many planned enhancements.

Such endeavors included among others, the revamp of the bank's infrastructure, the continued reaping of the many benefits of cloud computing, the upgrade of the ATM fleet, and the strengthening of network and security solutions in order to improve the bank's security posture, especially with securing the bank's assets from the ever-growing cybersecurity threats.

Furthermore, the ongoing efforts of reducing the infrastructure and licensing costs, and the removal of most legacy systems, saw significant steps forward.

Infostructure also achieved the upgrade of many business-critical systems and applications, and the overhaul of the bank's customer onboarding solution on a new platform.

Regarding neo, Bank Audi's digital bank, Infostructure provided support and intervention for all tech-related matters, intervening and solving issues re its hosting and its technology roadmap, in addition to providing all necessary synergies to allow neo to remain agile and innovative.

Additionally, Infostructure, alongside the Bank Business teams, completed the assessment of multiple vendors related to the high stake project of overhauling the Internet Banking and Mobile Banking platforms, with a target to provide best of breed Corporate and Individual advanced channels for the Bank's customers.

cost optimization was further supported by the establishment of a digital banking platform in Lebanon designed to streamline customer service and reduce operational costs. Management has also deployed considerable efforts to mitigate growing non-financial risks, specifically in relation to litigation, reputational, operational and compliance risks by, among other, strengthening internal controls.

and assessments, which are periodically reviewed by senior management through dedicated committees. Also, the Bank has been allocating a specific budget for cyber security since 2022 to keep its IT infrastructure up-to-date and therefore reduce the Bank's vulnerability to such threats.

A successful Disaster Recovery exercise was performed in 2025 for all mission-critical systems and applications, involving full functional testing – an exercise that is both an IT best practice, and an activity that is part of Bank Audi's customary efforts to remain fully compliant with regulatory requirements of the Central Bank of Lebanon and the Banking Control Commission of Lebanon (BCCL).

Moreover, Infostructure is reassessing its priorities to align with technology dynamics, and to establish a strategic roadmap connecting technology investments directly to business value, ensuring that IT will continue to play its fundamental role as a business success enabler.

As for Bank Audi's entities, Infostructure continued in 2025 to provide its usual technical and advisory assistance whenever needed or requested.

Bank Audi LLC (Qatar):

Infostructure was heavily involved in 2025 in the Bank Audi LLC (Qatar) (BAQ) revamp, relating to the upgrade of its core banking system, renovation of its infrastructure, and moving certain systems and services to the cloud.

Additionally, and in order to warrant BAQ's disaster recovery and business continuity, many mission-critical systems and applications were implemented and configured in the BAQ Disaster Recovery site.

Audi Capital (KSA) cjsc:

Infostructure's contribution was crucial in Bank Audi (KSA) cjsc revamp projects, namely moving the infrastructure to a national cloud provider, and the updates of the entity's business solutions.

7.2. HUMAN RESOURCES DEVELOPMENT

In 2025, as Lebanon continued to navigate the aftermath of prolonged economic challenges and the impact of the September 2024 conflict, the Bank's Human Resources strategy remained focused on reinforcing resilience, maintaining internal stability, and preparing the organization for future transformation.

Throughout the year, HR maintained a proactive and solution-oriented role, ensuring close alignment with business priorities while supporting employees and strengthening organizational effectiveness.

In an environment defined by uncertainty, the Bank's approach remained grounded in the belief that long-term performance is built on the strength, stability, and engagement of its people.

Reinforcing Internal Equity & Organizational Alignment

In response to ongoing economic pressures, the Bank maintained its commitment to fairness and internal consistency through targeted adjustments to policies and benefits.

Key initiatives included the implementation of a new grading structure, alongside a comprehensive review of job titles to enhance role clarity, internal equity, and career progression. This was complemented by a review of compensation structures and the revision of selected benefits, including the schooling allowance, to support employees facing rising education costs.

Talent Development & Future Capabilities

The Bank continued to invest in building a sustainable talent pipeline and strengthening internal capabilities aligned with its values of integrity, collaboration, and innovation.

During 2025, the Bank actively engaged with universities and early-career talent, hosting more than 260 interns and promoting career opportunities in a rapidly evolving banking environment, particularly in areas related to digital transformation.

In parallel, targeted leadership and soft-skills training programs were delivered to strengthen managerial effectiveness, enhance team performance, and support a culture of accountability and continuous development.

Employee Engagement & Well-being

Employee engagement and well-being remained central to the Bank's people strategy, particularly in a context of continued uncertainty.

Throughout the year, the Bank implemented a range of initiatives aimed at enhancing workforce wellbeing and engagement,

promoting healthy lifestyles, and strengthening a sense of community across the organization. These included wellness-focused programs under the "Wellbeing at Work" initiative, the annual Walkathon challenge, and a series of employee engagement activities such as Mother's Day and Father's Day initiatives, as well as sports and lifestyle programs.

Preventive health also remained a priority, with the Bank organizing awareness campaigns on key health topics, including breast cancer, prostate cancer, and diabetes, alongside its annual blood donation initiative. In addition, free influenza vaccinations were offered to employees and their families, reinforcing a proactive approach to healthcare and community protection.

Youth Development & Community Engagement

The Bank continued to play an active role in supporting youth development, education, and community engagement, reinforcing its commitment to creating sustainable social impact.

During the year, the Bank hosted 264 university interns and implemented targeted initiatives aimed at promoting financial literacy, digital banking awareness, and entrepreneurial thinking among younger generations.

In addition, the Bank organized the Audi Youth Summer Experience, an educational and enrichment program for employees' children aged 13–16, focusing on financial literacy, career awareness, social responsibility, digital literacy, and Lebanon's cultural heritage.

Through these initiatives, the Bank continued to contribute to the development of future-ready generations while strengthening its connection with the wider community.

Looking Ahead

As the Bank moves into 2026, Human Resources will continue to focus on strengthening organizational agility, enhancing workforce capabilities, and supporting sustainable performance.

Key priorities include completing the review and alignment of the grading and compensation framework, further advancing the talent assessment model, and expanding capability-building initiatives—particularly in digital and artificial intelligence domains. In parallel, the Bank will continue to strengthen employee engagement and well-being through more structured and targeted programs.

Beyond these priorities, the Bank remains committed to fostering a workplace where employees are not only equipped to perform, but empowered to grow, adapt, and lead in an increasingly complex environment.

8.0. COMPLIANCE

In 2025, the Bank continued to operate in a highly challenging and volatile environment, shaped by persistent structural pressures and evolving risks. These included (i) Lebanon's continued presence on the Financial Action Task Force (FATF) "List of Jurisdictions Under Increased Monitoring" (commonly referred to as the Grey List); (ii) persistent socio-economic stress; (iii) the continued significance of cash activity in the domestic economy; and (iv) geopolitical tensions and increasingly complex global sanctions regimes, with related implications for correspondent banking expectations.

Despite these pressures, the Bank maintained a robust and resilient compliance framework, grounded in international standards, regulatory expectations, and sound financial crime risk management practices, with the objective of protecting the Bank and preserving the confidence of international and regional correspondent banking partners.

The Bank also welcomed the continued efforts of the Lebanese authorities to address FATF action plan priorities and the progress made toward strengthening the national AML/CFT framework.

Building on the work undertaken in 2024, the Compliance Function continued to integrate relevant expectations into the Bank's compliance strategy, policies, procedures, and operating practices. It maintained close oversight of compliance risks across all business lines, ensuring that control measures were effectively implemented and that operational teams received timely and practical training and regulatory guidance. It exercised its independent responsibilities while collaborating closely with the first line of defense to promote shared accountability, clear ownership of compliance obligations, and a strong culture of compliance.

The Compliance Function also continued to leverage technology to strengthen monitoring and reporting capabilities and ensure consistent oversight across all activities, including neo by Bank

Audi, the digital banking platform with particular attention to the financial crime risks associated with digital channels.

Key compliance activities in 2025 included:

1. Regularly updating policies and procedures to remain aligned with evolving regulatory and market requirements and to effectively mitigate financial crime risks.

2. Reinforcing risk-based customer due diligence, enhanced due diligence, ongoing monitoring, and suspicious activity escalation processes, particularly in higher-risk segments and activities.

3. Continuing to strengthen the Enterprise-Wide Compliance Program and ensuring consistent oversight across all Group entities, both in Lebanon and abroad.

4. Promoting a strong compliance culture through continuous staff training and awareness initiatives across all functions and levels.

5. Monitoring international sanctions and adapting controls accordingly.

6. Advising senior management and business lines on emerging regulatory developments, FATF-related expectations, and compliance obligations.

7. Collaborating with Risk, Internal Audit, and external partners to reinforce the Bank's control environment, meet regulatory expectations, prevent financial crime, and preserve the confidence of correspondent banking partners.

Looking ahead to 2026, the Bank's compliance agenda will remain focused on strengthening risk-based controls, enhancing monitoring and data analytics, reinforcing staff accountability, and sustaining a culture of diligence, quality, cooperation, evaluation, and partnership.

A similar effort to engage younger generation was the "neo Venture" initiative, which engaged 107 high school students in financial literacy and entrepreneurship-related activities, promoting early awareness of banking and digital finance.

In addition, the Bank sponsored 15 students at the International Maritime Academy, supporting access to internationally recognized training programs and enhancing employment prospects in the global shipping industry.

Environmental Responsibility and Resource Efficiency

Environmental efforts across the Group remained focused on practical measures to improve resource efficiency and reduce operational footprint.

In Lebanon, the Bank continued to monitor its carbon footprint, with gradual progress achieved since the initiation of tracking in 2012. In 2025, renewable energy accounted for 2.71% of total electricity consumption, while avoided emissions reached 10,756 metric tons of CO₂ equivalent.

In addition, Bank Audi Lebanon continued to implement waste management practices through established partnerships, including the recycling of 45 kilograms of electronic waste, 38 tons of paper and cardboard, and 928 kilograms of plastics.

At Group level, international entities complemented these efforts through targeted initiatives. At Audi Capital (KSA) cjsc, measures focused on reducing resource consumption through the elimination of single-use plastics, the promotion of digital-first workflows, and the implementation of fully digital onboarding solutions and e-signatures, contributing to lower paper usage and reduced operational emissions.

At Bank Audi France sa, environmental initiatives included the achievement of full office waste sorting, with 114 kilograms of waste recycled in partnership with specialized operators, alongside the implementation of coffee capsule recycling programs, contributing to measurable reductions in carbon emissions. A total of 182.4 kg of coffee capsules were collected and recycled, generating an estimated saving of 57.5 kg of CO₂ emissions. In parallel, Bank Audi France sa has initiated a full carbon footprint assessment (Scopes 1, 2 and 3), including financed emissions. The definition of a decarbonization trajectory, supported by dedicated monitoring indicators, will be considered as a next step if deemed necessary.

Employee Engagement and ESG Culture

The Bank maintained its focus on employee well-being and engagement through structured health and awareness initiatives.

In Lebanon, preventive health campaigns addressed key topics including cancer awareness and diabetes, complemented by vaccination programs and access to screening tools. Wellness initiatives included physical activity programs and workshops focused on stress management and resilience-building.

At Audi Capital (KSA) cjsc, internal ESG initiatives emphasized employee awareness and the integration of sustainability principles into day-to-day practices, supporting the development of a sustainability-oriented corporate culture.

Across the Group, employee engagement was further supported through initiatives promoting inclusivity, teamwork and collaboration, including partnerships with social enterprises.

Community, Culture and Social Contribution

The Bank continued to support cultural and community initiatives, primarily through the Audi Foundation and selected partnerships.

Cultural venues such as the Soap Museum and Villa Audi hosted exhibitions and events, attracting approximately 12,000 visitors during the year, most of whom were international. Villa Audi, alongside twenty-four cultural venues across Lebanon, participated in "La Nuit des Musées," a national initiative organized by the Ministry of Tourism offering free public access, and contributing to the preservation of Lebanon's cultural heritage.

Additional initiatives supported artistic expression and community outreach, including programs targeting vulnerable groups through partnerships with local organizations.

Governance and ESG Integration

Governance remains integral to the Bank's ESG framework, with continued efforts to embed sustainability considerations into operations, risk management and decision-making processes.

In this context, Bank Audi France sa advanced the structuring of its ESG framework, including the integration of ESG criteria into credit processes and risk management, the development of ESG indicators, and the assessment of climate-related risks (transition and physical), and climate stress testing scenarios, as well as the preparation of ESG disclosures (CRR3 / Pillar 3). To that end, the Bank mandated Forvis Mazars to support the implementation of ESG regulatory requirements and the structuring of its sustainability framework.

Across the Group and namely in Audi Capital (KSA) cjsc, ESG principles continue to be aligned with international standards, including the United Nations Global Compact, supporting the Bank's contribution to the Sustainable Development Goals.

Outlook

In the absence of a stabilized economic environment, Bank Audi's ESG journey remains grounded in targeted, measurable actions with the conviction that even modest contributions matter. Going forward, the Group will pursue the progressive reinforcement of its structure, governance, ESG framework and reporting standards across all entities.

9.0. ENVIRONMENTAL, SOCIAL & GOVERNANCE

In 2025, Bank Audi maintained a disciplined and structured approach to Environmental Social & Governance, delivering targeted initiatives across its key ESG pillars despite a challenging operating environment. While Lebanon remained a primary focus, the Bank's commitment extended across its international network, with subsidiaries outside Lebanon, mainly Bank Audi France sa and Audi Capital (KSA) cjsc, advancing initiatives aligned with local regulatory frameworks, market priorities and Group standards.

Social Impact and Youth Engagement

The Bank continued to prioritize youth development and education as core components of its social agenda. During the year, 264 university students, including participants from ESA Business School, took part in internship and engagement programs designed to bridge academic learning with practical experience.



03

Financial Statements



RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS

In June 2026, the Board of Directors of the Bank adopted the following proposals to the Annual General Assembly of shareholders relating to the approval of the financial statements, to the constitution of reserves, to the allocation of the annual results, and to a number of other matters falling within the prerogatives of the Ordinary General Assembly:

Proposal No. 1

The Ordinary General Assembly of shareholders of the Bank is invited to approve the Bank's accounts, in particular the balance sheet and the profit and loss statement as at and for the year ended on 31 December 2025, and to grant full discharge to the Chairman and members of the Board of Directors in respect of their management of the Bank's activities during the year 2025.

Proposal No. 2

The Ordinary General Assembly of shareholders of the Bank is invited to approve the transfer of the 2025 annual results to the previously accumulated gains along with the release from the reserve for unrealized gains on financials instruments, pursuant to the relevant circulars or memos of the Lebanese Banking Control Commission.

Other Proposals to the General Assembly

The Board of Directors of the Bank also adopted other proposals to the Annual General Assembly of shareholders to the effect of: (i) ratifying transactions that are subject to the approval of the Ordinary General Assembly of shareholders; (ii) authorising the entry into similar transactions during the year 2026; (iii) Determining the remuneration of the Directors; (iv) Setting the fees of the External Auditors; and (v) other matters falling within the prerogatives of the Ordinary General Assembly, all as more fully described in the present Annual Report, in the enclosed financial statements, and in the other supporting documents addressed to the General Assembly and published separately.



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK AUDI sal

Adverse Opinion

We have audited the consolidated financial statements of Bank Audi SAL (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, because of the significance and pervasiveness of the matters described in the "Basis for Adverse Opinion" section of our report, the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Adverse Opinion

- As disclosed in Note 2.1 to the consolidated financial statements, the Group has not applied IAS 29 – Financial Reporting in Hyperinflationary Economies ("IAS 29") to its operations in the Republic of Lebanon and the Republic of Türkiye for the periods in which those economies were hyperinflationary, including the year ended 31 December 2025. The Group also did not reflect the effects of hyperinflation in the forecasts and discount rates used in accounting estimates. This is a material and pervasive departure from IFRS Accounting Standards. Had the Group applied IAS 29, the amounts and related disclosures in the consolidated financial statements, including the comparative information, would have been materially and pervasively different. Our opinion on the consolidated financial statements for the year ended 31 December 2024 was modified in respect of the same matter.
- As disclosed in Note 3 to the consolidated financial statements, the Group recorded adjustments to the carrying amounts of tangible and intangible assets of entities operating in Lebanon based on Law 330 dated 4 December 2024 and Ministry of Finance Decision 715 dated 1 August 2025. These adjustments included remeasurement of land and buildings in Lebanon, assets obtained in settlement of debt, and other tangible and intangible assets, and were applied retrospectively, with corresponding figures restated and a third statement of financial position presented as at 1 January 2024.
 - Land and buildings in Lebanon, included in property and equipment and assets obtained in settlement of debt, carried at LBP 19,669,677 million and LBP 4,730,658 million respectively in the consolidated statement of financial position as at 31 December 2025 (31 December 2024: LBP 19,487,942 million and LBP 4,903,266 million respectively; 1 January 2024: LBP 17,490,676 million for land and buildings in Lebanon included in property and equipment, those included in assets obtained in settlement of debt were not remeasured) were remeasured based on a valuation performed by an accredited independent external valuer in US Dollars and then translated into Lebanese Pounds at LBP 89.500, with a corresponding adjustment to accumulated depreciation;



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK AUDI sal (continued)

Basis for Adverse Opinion (continued)

- Tangible assets other than land and buildings and intangible assets of entities operating in Lebanon carried at LBP 1,143,971 million and LBP 295,133 million respectively in the consolidated statement of financial position as at 31 December 2025 (31 December 2024: LBP 1,192,078 million and LBP 254,935 million respectively; 1 January 2024: LBP 194,105 million and LBP 37,750 million) were adjusted by retranslating historical cost and accumulated depreciation at LBP 89,500 to the US Dollar; and
- The adjustments were applied retrospectively, with corresponding figures as at and for the year ended 31 December 2024 restated and, a third statement of financial position presented as at 1 January 2024.

In our opinion, these accounting adjustments constitute a material and pervasive departure from IAS 16 – Property, Plant and Equipment, IAS 38 – Intangible Assets, IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Had these matters been accounted for in accordance with IFRS Accounting Standards, including the application of IAS 29 where relevant, amounts recognised in respect of property and equipment, assets obtained in settlement of debt, intangible assets, deferred tax, equity, profit or loss, other comprehensive income, comparative information and related disclosures would have been materially and pervasively different.

3. As disclosed in Note 1 to the consolidated financial statements, the corresponding figures for the year ended 31 December 2024 have not been restated to reflect the effect of using exchange rates compliant with IAS 21 – The Effects of Changes in Foreign Exchange Rates for the translation of monetary assets and liabilities denominated in foreign currencies, the assets and liabilities of foreign operations, and foreign currency transactions during prior periods. As further disclosed in Note 1, from January 2024 the official published exchange rate was set at LBP 89,500 to the US Dollar, and the Group recorded the effect of that change in the consolidated income statement for the year ended 31 December 2024 under “Net trading (loss) gain” and in the consolidated statement of comprehensive income under “Exchange differences on translation of foreign operations”. The Group did not restate comparative amounts, which is a departure from IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”). Accordingly, the corresponding figures remain affected by the prior-year departures from IAS 21 and IAS 8, and our opinion on the current year consolidated financial statements is modified because of the effects of this unresolved matter on the comparability of the current year figures and the corresponding figures.

With respect to foreign currencies subject to de-facto capital controls, we were unable to satisfy ourselves whether this exchange rate is that at which the future cash flows could have been settled if those cash flows had occurred at the measurement date. Consequently, we were unable to determine whether any adjustments should have been made to the consolidated financial statements (including comparative information). Our opinion for the year ended 31 December 2024 was modified for same reasons.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK AUDI sal (continued)

Basis for Adverse Opinion (continued)

4. As at 31 December 2025, the Group holds balances with the Central Bank of Lebanon amounting to LBP 789,662,242 million (2024: LBP 818,979,232 million), a portfolio of Lebanese government treasury securities and Certificate of deposits (under financial assets at amortized cost) totaling LBP 60,336,146 million (2024: LBP 60,347,995 million), a portfolio of loans amounting to LBP 15,010,390 million (2024: LBP 9,839,767 million) and other balances with banks and other assets amounting to LBP 4,013,566 million (2024: LBP 4,237,574), concentrated in Lebanon which represent 64% of the Group's total assets as at 31 December 2025 (2024: 60%).

As disclosed in Note 1, the consolidated financial statements do not include adjustments required by IFRS 9 – Financial Instruments to the carrying amounts of the above assets and to many related accounts and disclosures that would result from resolution of the uncertainties described in Note 1.

Furthermore, the Group had engaged in several transactions involving modification of contractual cash flows, renegotiations, exchanges and extinguishment of financial assets and financial liabilities. The Group has not applied the requirements of IFRS 9 and assessed whether these transactions should be accounted for as modifications resulting in derecognition or no derecognition, nor is the Group calculating and accounting for the impact of such modifications, which constitutes a departure from the requirements of IFRS 9. The effects of this departure on the carrying amount of these financial instruments and related income statement accounts have not been determined. Our opinion for the year ended 31 December 2024 was modified for same reasons.

Also, as disclosed in Note 48, management did not produce the information about the fair value of these assets and other financial instruments concentrated in Lebanon and these consolidated financial statements consequently do not include the fair value disclosures required by IFRS 13 – Fair Value Measurement.

Had such adjustments and disclosures been determined and made, many elements and related disclosures in the accompanying consolidated financial statements for the years ended 31 December 2025 and 31 December 2024 would have been materially different. The effects of the resolution of these uncertainties on the consolidated financial statements and disclosures have not been determined. Our opinion for the year ended 31 December 2024 was modified for same reasons.

5. As at 31 December 2025, the Group holds equity instruments in entities operating in Lebanon amounting to LBP 11,736,487 million held at fair value through other comprehensive income (2024: LBP 11,240,714 million). The fair value of these instruments is measured based on a mix of observable and unobservable data holding a high level of uncertainty due to lack of reliable market evidence in light of the uncertainties described in Note 1. As such, it is not possible to determine the future effects that the economic crisis described in Note 1 would have on the carrying amounts of these assets. Consequently, we were unable to determine whether any adjustments should have been recorded on these amounts. Our opinion for the year ended 31 December 2024 was modified for same reasons.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK AUDI sal (continued)

Basis for Adverse Opinion (continued)

6. As at 31 December 2025, the Group carries provisions for risks and charges amounting to LBP 44,696,690 million (2024: LBP 33,025,953 million) for which we requested but did not receive any basis for such provision. Accordingly, we were unable to determine whether these provisions meet the recognition criteria of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Consequently, we were unable to determine whether adjustments to the carrying amount of these provisions as at 31 December 2025 and related income statement accounts for the year ended 31 December 2025 were necessary. Our opinion for the year ended 31 December 2024 was modified for same reasons.
7. The Group did not reclassify to the consolidated statement of income during the year ended 31 December 2025, cumulative foreign currency translation reserve amounting to LBP 9,230,763 million relating to assets held for sale derecognized during the year. Instead, the Group transferred these cumulative reserves directly to retained earnings, which constitutes a departure from the requirements of IAS 1 – Presentation of Financial Statements ("IAS 1") and IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5"). Accordingly, profit from discontinued operations for the year ended 31 December 2025 should be increased by LBP 9,230 billion and other comprehensive income from discontinued operations should be decreased by the same amount.
8. The events and conditions and practices that would not qualify as normal course of business in a non-crisis environment described in Note 1 and the matters described in paragraphs 1, 2, 3 and 4 above affect the financial position, liquidity, solvency and profitability of the Group, and expose the Group to increased litigation and regulatory risks. Significant uncertainty exists in relation to the outcome of the litigations, claims and investigations raised against the Group and the negative impact that they may have on the Group's financial position as disclosed in Notes 1 and 57. These events and conditions may cast significant doubt on the Group's ability to continue as a going concern. We were unable to obtain sufficient appropriate audit evidence about the Group's ability to continue as a going concern. Our opinion for the year ended 31 December 2024 was modified for same reasons.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. Except for the matters described in the "*Basis for Adverse Opinion*" section of our report, we have determined that there are no other key audit matters to communicate in our report.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANK AUDI sal (continued)

Other Information Included in the Group's 2025 Annual Report

Other information consists of the information included in the Group's Annual Report other than the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. As described in the "*Basis for Adverse Opinion*" section of our report, the consolidated financial statements do not include adjustments arising from the matters set out therein. We have concluded that the other information is materially misstated for the same reasons with respect to the amounts or other items in the Group's 2025 Annual Report affected by matters reported in the "*Basis for Adverse Opinion*".

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
BANK AUDI sal (continued)**

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Ernst & Young


BDO, Semaan, Gholam & Co.

8 June 2026
Beirut, Lebanon

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 December 2025

	Notes	2025 LBP Million	Restated* 2024 LBP Million
CONTINUING OPERATIONS			
Interest and similar income	5	20,512,388	22,542,404
Interest and similar expense	6	(1,969,208)	(3,052,349)
Net interest income		18,543,180	19,490,055
Fee and commission income	7	12,580,193	11,297,134
Fee and commission expense	8	(1,907,660)	(1,320,019)
Net fee and commission income		10,672,533	9,977,115
Net trading (loss) gain	9	(5,087,329)	10,238,092
Net gain on derecognition of financial assets and liabilities at amortised cost	10	17,098,650	201,481
Net gain (loss) on derecognition of financial assets at fair value through other comprehensive income		82,203	(4,940)
Other operating income	11	219,676	842,133
Total operating income		41,528,913	40,743,936
Net (impairment loss) recovery on financial assets	12	(138,695)	1,173,473
Net operating income		41,390,218	41,917,409
Personnel expenses	13	(10,440,602)	(9,145,621)
Other operating expenses	14	(21,583,932)	(29,206,617)
Depreciation of property and equipment and right-of-use assets	26	(848,700)	(708,410)
Amortisation of intangible assets	27	(244,279)	(125,099)
Total operating expenses		(33,117,513)	(39,185,747)
Operating income		8,272,705	2,731,662
Net gain (loss) on disposal of fixed assets		62,936	(605)
Profit before tax from continuing operations		8,335,641	2,731,057
Income tax	15	(1,133,511)	(2,055,451)
Profit for the year from continuing operations		7,202,130	675,606
DISCONTINUED OPERATIONS			
Profit (loss) for the year from discontinued operations, net of tax	45	202,603	(673,893)
Profit for the year		7,404,733	1,713
Attributable to:			
Equity holders of the parent		7,430,212	212,471
<i>Profit for the year from continuing operations</i>		<i>7,201,884</i>	<i>675,805</i>
<i>Profit (loss) for the year from discontinued operations</i>	45	<i>228,328</i>	<i>(463,334)</i>
Non-controlling interests		(25,479)	(210,758)
<i>Profit (loss) for the year from continuing operations</i>		<i>246</i>	<i>(199)</i>
<i>Loss for the year from discontinued operations</i>		<i>(25,725)</i>	<i>(210,559)</i>
		7,404,733	1,713
Earnings (loss) per share:			
		LBP	LBP
Basic and diluted earnings per share	16	12,649	362
Basic and diluted earnings per share from continuing operations	16	12,260	1,151
Basic and diluted earnings (loss) per share from discontinued operations	16	389	(789)

* Restated for the effect of the matters disclosed in Note 3.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2025

	Notes	2025 LBP Million	Restated* 2024 LBP Million
Profit for the year from continuing operations		7,202,130	675,606
Profit (loss) for the year from discontinued operations		202,603	(673,893)
Other comprehensive income that will be reclassified to the income statement in subsequent periods from continuing operations			
<i>Foreign currency translation</i>			
Exchange differences on translation of foreign operations		5,090,003	39,551,698
Net foreign currency translation		5,090,003	39,551,698
<i>Debt instruments at fair value through other comprehensive income</i>			
Change in fair value during the year		451,784	40,548
Gain reclassified to the income statement		(74,185)	-
Tax effects	15	(62,788)	(7,293)
Net gain on debt instruments at fair value through other comprehensive income		314,811	33,255
Total other comprehensive income that will be reclassified to the income statement in subsequent periods from continuing operations		5,404,814	39,584,953
Other comprehensive income that will not be reclassified to the income statement in subsequent periods from continuing operations			
<i>Revaluation reserve</i>			
Revaluation gain		302,984	8,584,488
Tax effects	15	-	43,702
Net revaluation		302,984	8,628,190
<i>Remeasurement gains (losses) on defined benefit plans</i>			
Actuarial loss on defined benefits plans	37	336,340	(1,634,557)
Tax effects	15	(39,485)	(3,977)
Net remeasurement gains (losses) on defined benefit plans		296,855	(1,638,534)
<i>Equity instruments at fair value through other comprehensive income</i>			
Net unrealised gains		422,822	9,779,540
Tax effects	15	(76,032)	(1,628,575)
Net unrealised gains on equity instruments at fair value through other comprehensive income		346,850	8,150,965
Total other comprehensive income that will not be reclassified to the income statement in subsequent periods from continuing operations		946,689	15,140,621
Other comprehensive income for the year from continuing operations, net of tax		6,351,503	54,725,574
Other comprehensive income for the year from discontinued operations, net of tax	45	183,014	11,932,961
Total comprehensive income for the year from continuing operations, net of tax		13,553,633	55,401,180
Total comprehensive income for the year from discontinued operations, net of tax	45	385,617	11,259,068
Total comprehensive income for the year, net of tax		13,939,250	66,660,248
Attributable to:			
Equity holders of the parent		14,032,238	64,054,983
Non-controlling interests		(92,988)	2,605,265
		13,939,250	66,660,248

* Restated for the effect of the matters disclosed in Note 3.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 LBP Million	Restated* 2024 LBP Million	Restated* 1 January 2024 LBP Million
ASSETS				
Cash and balances with central banks	17	869,316,542	865,064,542	148,469,720
Due from banks and financial institutions	18	152,280,288	149,978,644	24,847,986
Derivative financial instruments	19	1,522,753	1,134,384	452,527
Financial assets at fair value through profit or loss	20	30,467,977	12,599,342	4,358,540
Loans and advances to customers at amortised cost	21	101,870,641	85,796,399	15,165,583
Loans and advances to related parties at amortised cost	22	198,255	361,848	575,051
Debtors by acceptances		791,633	635,460	250,048
Financial assets at amortised cost	23	113,033,994	112,572,327	19,225,632
Financial assets at fair value through other comprehensive income	24	42,387,644	30,516,062	2,025,273
Investment in an associate	25	-	-	141,155
Property and equipment and right-of-use assets	26	25,624,039	25,043,036	18,775,150
Intangible assets	27	614,791	435,312	65,240
Assets obtained in settlement of debt	28	4,852,019	5,019,955	98,468
Other assets	29	6,812,369	5,998,938	1,152,697
Deferred tax assets	15	517,368	507,994	98,187
Goodwill	30	3,145,119	2,748,350	497,030
Assets held for sale	45	-	200,628,451	42,541,256
TOTAL ASSETS		1,353,435,432	1,499,041,044	278,739,543
LIABILITIES				
Due to central banks	31	2,429,270	2,823,868	2,529,211
Due to banks and financial institutions	32	13,345,457	23,538,927	2,826,759
Derivative financial instruments	19	1,144,106	1,114,034	312,937
Customers' deposits	33	1,152,575,994	1,107,716,259	190,765,621
Deposits from related parties	34	1,417,033	3,537,330	1,319,556
Debt issued and other borrowed funds	35	10,529,667	23,953,218	4,063,130
Engagements by acceptances		791,633	635,460	250,048
Other liabilities	36	13,571,834	18,307,380	5,812,585
Current tax liabilities	15	374,616	1,525,180	269,203
Deferred tax liabilities	15	2,125,617	1,940,806	310,826
Provisions for risks and charges	37	51,429,771	39,063,741	4,494,442
Liabilities held for sale	45	-	181,916,730	39,430,857
TOTAL LIABILITIES		1,249,734,998	1,406,072,933	252,385,175
SHAREHOLDERS' EQUITY – GROUP SHARE				
Share capital – common shares	38	982,859	982,859	982,859
Share capital – preferred shares	38	10,020	10,020	10,020
Issue premium – common shares	38	902,290	902,290	902,290
Issue premium – preferred shares	38	894,480	894,480	894,480
Cash contribution to capital	39	72,586	72,586	72,586
Non-distributable reserves	40	2,709,900	2,588,375	2,535,354
Distributable reserves	41	43,453	35,995	35,995
Treasury shares	43	(7,246)	(8,392)	(8,392)
Retained earnings (accumulated losses)		4,417,868	(4,965,220)	(4,896,300)
Other components of equity	44	86,237,954	79,886,611	25,426,923
Reserves related to assets held for sale	45	-	9,013,806	(105,217)
Result of the year		7,430,212	212,471	(233,195)
		103,694,376	89,625,881	25,617,403
NON-CONTROLLING INTERESTS	46	6,058	3,342,230	736,965
TOTAL SHAREHOLDERS' EQUITY		103,700,434	92,968,111	26,354,368
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,353,435,432	1,499,041,044	278,739,543

* Restated for the effect of the matters disclosed in Note 3.

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended 31 December 2025

	Notes	2025 LBP Million	2024 LBP Million
OPERATING ACTIVITIES			
Profit before tax from continuing operations		8,335,641	2,731,057
Profit (loss) before tax discontinued operations	45	202,603	(4,014,104)
Adjustments for non-cash items:			
Depreciation and amortisation	26 & 27	1,092,979	2,062,629
Net gain on derecognition of financial assets and liabilities at amortised cost	10	(17,098,650)	(201,481)
Net impairment loss (recovery) on financial assets	12	138,695	(2,767,322)
Gain from sale / acquisition of a subsidiary	25	(202,603)	(507,343)
Net (loss) gain on sale or disposal of fixed assets		(62,936)	605
Provision for risks and charges	37	16,087,630	24,339,220
Write-back of provisions for risks and charges	37	-	(18,860)
Gain on financial instruments at fair value through profit or loss		(5,261,740)	-
Interest expense on debt issued and other borrowed funds	35	521,733	996,445
Net foreign exchange difference		12,646,979	(6,660,523)
		16,400,331	15,960,323
Changes in operating assets and liabilities:			
Balances with the central banks, banks and financial institutions maturing in more than 3 months		18,009,815	65,134,873
Change in derivatives and financial assets held for trading		(12,965,192)	13,322,889
Change in loans and advances to customers and related parties		(6,672,995)	5,062,565
Change in other assets		(813,431)	(1,774,878)
Change in deposits from customers and related parties		20,595,614	(19,473,452)
Change in other liabilities		(158,336)	8,711,844
Cash from operations		34,395,806	86,944,164
Provisions for risks and charges paid	37	(960,446)	(1,144,205)
Taxation paid	15	(557,412)	(1,291,995)
Net cash from operating activities		32,877,948	84,507,964
INVESTING ACTIVITIES			
Change in financial assets – other than trading		(4,478,297)	(28,711,112)
Purchase of property and equipment and intangibles	26 & 27	(779,140)	(296,729)
Proceeds from sale of property and equipment and intangibles		48,742	(313,380)
Net proceeds from disposal of a subsidiary		11,290,549	-
Net cash from (used in) investing activities		6,081,854	(29,321,221)
FINANCING ACTIVITIES			
Debt issued and other borrowed funds	35	(6,337,784)	(525,053)
Lease liability payments	36	(72,507)	(132,104)
Net cash used in financing activities		(6,410,291)	(657,157)
CHANGE IN CASH AND CASH EQUIVALENTS			
Foreign exchange differences		10,839,933	422,063,084
Cash and cash equivalents at 1 January		564,537,623	87,944,953
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	47	607,927,067	564,537,623
Operational cash flows from interest and dividends			
Interest paid		(1,631,069)	(2,602,337)
Interest received		20,928,901	18,973,972
Dividends received		5,494	4,841

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2025

	Attributable to the Equity Holders of the Group															
	Share Capital - Common Shares	Share Capital - Preferred Shares	Issue Premium - Common Shares	Issue Premium - Preferred Shares	Cash Contribution to Capital	Non-distributable Reserves	Distributable Reserves	Treasury Shares	Retained Earnings (Accumulated losses)	Other Components of Equity	Reserves Related to Assets Held for Sale	Result of the Year	Total	Non-controlling Interests	Total Shareholders' Equity	
	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	LBP Million	
Balance at 1 January 2025	982,859	10,020	902,290	894,480	72,586	2,588,375	35,995	(8,392)	(4,965,220)	79,886,611	9,013,806	212,471	89,625,881	3,342,230	92,968,111	
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	7,430,212	7,430,212	(25,479)	7,404,733	
Other comprehensive income	-	-	-	-	-	-	-	-	-	6,351,343	250,683	-	6,602,026	(67,509)	6,534,517	
Total comprehensive income	-	-	-	-	-	-	-	-	-	6,351,343	250,683	7,430,212	14,032,238	(92,988)	13,939,250	
Appropriation of 2024 losses	-	-	-	-	-	140,786	-	-	71,685	-	-	(212,471)	-	-	-	
Entities deconsolidated	-	-	-	-	-	(52,340)	7,458	-	9,309,371	-	(9,264,489)	-	-	(3,243,184)	(3,243,184)	
Treasury share transactions	-	-	-	-	-	33,079	-	1,146	-	-	-	-	34,225	-	34,225	
Other movements	-	-	-	-	-	-	-	-	2,032	-	-	-	2,032	-	2,032	
Balance at 31 December 2025	982,859	10,020	902,290	894,480	72,586	2,709,900	43,453	(7,246)	4,417,868	86,237,954	-	7,430,212	103,694,376	6,058	103,700,434	
Balance at 1 January 2024	982,859	10,020	902,290	894,480	72,586	2,535,354	35,995	(8,392)	(4,896,300)	25,149,133	(105,217)	(233,195)	25,339,613	736,965	26,076,578	
Adjustment related to prior years	-	-	-	-	-	-	-	-	-	277,790	-	-	277,790	-	277,790	
Adjusted balance at 1 January 2024	982,859	10,020	902,290	894,480	72,586	2,535,354	35,995	(8,392)	(4,896,300)	25,426,923	(105,217)	(233,195)	25,617,403	736,965	26,354,368	
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	212,471	212,471	(210,758)	1,713	
Other comprehensive income	-	-	-	-	-	-	-	-	-	54,723,489	9,119,023	-	63,842,512	2,816,023	66,658,535	
Total comprehensive income	-	-	-	-	-	-	-	-	-	54,723,489	9,119,023	212,471	64,054,983	2,605,265	66,660,248	
Appropriation of 2023 losses	-	-	-	-	-	53,021	-	-	(286,216)	-	-	233,195	-	-	-	
Sale of FVTOCI	-	-	-	-	-	-	-	-	263,801	(263,801)	-	-	-	-	-	
Other movements	-	-	-	-	-	-	-	-	(46,505)	-	-	-	(46,505)	-	(46,505)	
Balance at 31 December 2024	982,859	10,020	902,290	894,480	72,586	2,588,375	35,995	(8,392)	(4,965,220)	79,886,611	9,013,806	212,471	89,625,881	3,342,230	92,968,111	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

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1.0. CORPORATE INFORMATION

Bank Audi sal (the “Bank”) is a Lebanese joint stock company registered since 1962 in Lebanon under No. 11347 at the Register of Commerce and under No. 56 on the banks’ list at the Central Bank of Lebanon. The Bank’s head office is located in Bank Audi Plaza, Omar Daouk Street, Beirut, Lebanon. The Bank’s shares are listed on the Beirut Stock Exchange. Effective 6 November 2020, the global depository receipts were delisted from the London SEAQ.

The Bank, together with its subsidiaries (collectively “the Group”), provides a full range of Retail, Commercial, Investment and Private Banking activities through its headquarters as well as its branches in Lebanon, and its presence in Europe and the Middle East.

The consolidated financial statements were authorised for issue in accordance with the Board of Directors’ resolution on 3 June 2026.

1.1. MACROECONOMIC ENVIRONMENT

The Group’s operations are primarily concentrated in Lebanon which has been witnessing, since 17 October 2019, severe events that have set off an interconnected fiscal, monetary and economic crisis, as well as deep recession that has reached unprecedented levels. Sovereign credit ratings have witnessed a series of downgrades by all major rating agencies and reached the level of default when, on 7 March 2020, the Lebanese Republic announced that it will withhold payment on the bonds due on 9 March 2020, which was followed by another announcement on 23 March 2020 for the discontinuation of payments on all of its US Dollar-denominated Eurobonds.

Throughout this sequence of events, the ability of the Lebanese government and the banking sector in Lebanon to borrow funds from international markets was significantly affected. Banks have imposed de-facto capital controls, restricted transfers of foreign currencies outside Lebanon, significantly reduced credit lines to companies and withdrawals of cash to private depositors, all of which added to the disruption of the country’s economic activity, as the economic model of Lebanon relies mainly on imports and consumption. Businesses downsized, closed or bankrupted, and unemployment and poverty rose fast and have reached unprecedented levels.

The difficulty in accessing foreign currencies led to the emergence of a parallel market to the peg whereby the price to access foreign

currencies increased constantly, deviating significantly from the peg of LBP 1,507.5 to the US Dollar. This has resulted in an uncontrolled rise in prices and the incessant de facto depreciation of the Lebanese Pound, impacting intensely the purchasing power of Lebanese citizens, driving a currency crisis, high inflation and sharp increase in the consumer price index. In February 2023, the Central Bank of Lebanon changed the official published exchange rate from LBP 1,507.5 to LBP 15,000 to the US Dollar. In January 2024, the Central Bank of Lebanon changed the official published exchange rate from LBP 15,000 to LBP 89,500 to the US Dollar.

As a result of the de-facto capital controls, the multitude of exchange rates, the hyperinflation, and the potential repercussions of government reform measures on (i) the banks operating in Lebanon, and (ii) the Lebanese people’s net worth, their local businesses and their local bank accounts, the Lebanese market saw the need to differentiate between onshore assets and offshore assets, foreign currency bank accounts that are subject to de-facto capital controls and those that are not subject to capital controls, onshore liabilities and offshore liabilities. Hence the new terms in the Lebanese market, such as “local Dollars” to designate local US Dollars bank accounts that are subject to de-facto capital controls, and “fresh funds/accounts” to designate foreign currency cash and foreign currency bank accounts which are free from capital controls (as they are sourced from foreign currency cash and/or from incoming transfers from abroad).

INTERNATIONAL MONETARY FUND

The Lebanese authorities and the IMF team have reached a staff-level agreement (SLA) on comprehensive economic policies that could be supported by a 46-month Extended Fund Arrangement (EFF) with requested access of SDR 2,173.9 million (equivalent to about USD 3 billion). This agreement is subject to approval by IMF Management and the Executive Board, after the timely implementation of all prior actions and confirmation of international partners’ financial support. The Lebanese Government has renewed negotiations with the IMF post Cabinet formation this year to reach a new SLA with prior actions to be undertaken by Lebanon before a Board agreement could be reached. In a statement in September, the IMF

indicated that the authorities had made progress in developing a strategy to address the severe banking sector challenges. The recent approval of the Bank Resolution Law reflects the dedicated efforts of all stakeholders, though the legislation needs further refinement. The IMF team has suggested amendments to fully align it with international standards and ensure the effectiveness of bank restructuring processes. The IMF believes the authorities should continue working to develop the strategy to recognize and allocate losses and restore the viability of the banking sector consistent with international standards, protection of small depositors, and sustainability of public debt.

BANKING SECRECY BILL

Lebanese MPs approved on 24 April 2025 a long-awaited bill lifting banking secrecy, a key reform on which financial assistance from the International Monetary Fund (IMF) is dependent. Parliament specified that the new banking secrecy law applies retroactively for 10 years, covering the start of the economic crisis. Lebanon has long-standing and strict rules on the confidentiality of bank

accounts, which critics say leaves the country vulnerable to money laundering. The amendments authorize “banking supervisory and regulatory bodies to request access to all information” without providing any details and. These bodies will be able to access information such as customer names and deposit details, and investigate any suspicious activities.

AMENDMENTS TO THE CODE OF MONEY AND CREDIT

The Lebanese Parliament has recently passed amendments to Decree No.13513 named The Code of Money and Credit. The amendments targeted Section 2-7 of the law, which tackles money creation and the values of issued currency. Within the amendment, the Lebanese Parliament has afforded Banque du Liban (BdL) the

right to issue two new banknotes with a value of LBP 500,000 and LBP 1,000,000 while also aiming to preserve the current value of currency in circulation. This move comes amid the devaluation of the Lebanese currency by more than 98% since the onset of the crisis in 2019.

BANKING RESTRUCTURING

On 12 April 2025, the Cabinet approved the draft banking reform law which is yet to be approved by the Parliament. Its implementation is contingent on the passage of the financial gap law, highlighting the interdependence of the three core reforms: lifting banking secrecy, restructuring banks, and closing the financial gap. It was ratified by Parliament on 31 July 2025.

The law introduces a full legal framework for intervening in the operations of failing banks, with the aim of protecting depositors, safeguarding financial stability, and ensuring the continuity of essential banking services. As a starting point, banks are required to meet minimum capital and liquidity requirements that will be specified in the financial gap law. The law clearly outlines the conditions under which a bank is deemed to be failing or likely to fail, and introduces several restructuring tools such as recapitalization, forced mergers, and asset separation.

At the heart of the draft law is the creation of a Bank Restructuring Authority, a specialized independent body tasked with overseeing the resolution process of distressed financial institutions. This authority would have sweeping powers, including the ability to initiate bank restructuring, appoint independent valuers, enforce asset transfers, and if necessary, trigger liquidation procedures.

On 22 April 2026, the Ministry of Finance submitted to the Council of Ministers a proposal to withdraw the draft law previously referred to Parliament under Decree No. 1992 dated 4 December 2025. Said draft law aimed at introducing amendments to selected provisions of Law No. 23 of 14 August 2025 concerning the reform and restructuring of banks in Lebanon. The proposal came in response to the Constitutional Council’s decision issued on 3 October 2025,

as well as to observations and recommendations communicated by the International Monetary Fund (IMF). Concurrently, the Ministry requested the approval of a newly revised draft law amending Law No. 23/2025. Consequently, on 30 April 2026, the Council of Ministers endorsed a decree formally withdrawing the earlier draft law submitted to Parliament pursuant to Decree No. 1992. It also approved a revised amendment bill reflecting several remarks raised by both the Constitutional Council and the IMF, together with a draft decree providing for the transmission of the updated text to Parliament.

The Ministry of Finance further stated that on 5 September 2025, a group of Members of Parliament filed an appeal before the Constitutional Council challenging a number of provisions contained in the law. Following its review of the appeal, the Constitutional Council rendered its decision in October 2025. The Ministry also noted that the IMF viewed Law No. 23, enacted by the Lebanese Parliament on 31 July 2025, as falling short of alignment with internationally recognized standards and practices. In the IMF’s assessment, the law contains several structural weaknesses, notably with respect to the independence of the Resolution Authority, the autonomy and reliability of valuation mechanisms, the enforceability of resolution measures, and the legal protections afforded to entities responsible for implementing such measures. Additional technical shortcomings were also identified, which, according to the IMF, collectively undermine the legal robustness and operational efficiency of the framework. Law No. 23, promulgated on 31 July 2025, establishes the legal framework governing the restructuring and resolution of the Lebanese banking sector and comprises 37 articles addressing the mechanisms for restructuring and/or liquidating banks.

FINANCIAL GAP LAW IN PREPARATION

The banking restructuring challenge revolves around whether the State would be able to implement a gap law within the upcoming months, prior to the parliamentary elections in May 2026, after which the Cabinet will turn into Caretaker Cabinet until the formation of a new Cabinet. The Gap Law will overview the treatment of Lollar and Dollar deposits in the banking sector. Such a gap law is the most important one to normalize banking activity and move out of troubled waters.

It remains unclear how the events mentioned above will evolve, and the Bank continues to monitor the situation closely. Any and all such events mentioned above will add up to the already material adverse prospects on the Bank's business, financial condition, results of operations, prospects, liquidity and capital position.

1.2. REGULATORY ENVIRONMENT

During 2020 and up to the date of authorisation of issue of these consolidated financial statements, the Central Bank of Lebanon has issued several circulars to address the situations, mainly:

- Basic Circular 150 issued on 9 April 2020 and exempting banks from placing mandatory reserves with the Central Bank of Lebanon in relation to funds transferred from abroad or cash deposits in foreign currency received after 9 April 2020, subject to preserving and guaranteeing the liberty of the depositors in determining the use of these funds and benefiting from all kinds of banking services (transfers abroad, international credit card limits, foreign currency cash withdrawals...). Banks are requested to maintain at all times an amount equivalent to those funds in the form of (i) cash held in vaults at the Bank's premises, (ii) offshore accounts held with correspondents and (iii) "cash money" accounts held with BdL as per Basic Circular 165 definition. Intermediate Circular 715 issued on 21 November 2024 expanded the scope to include sovereign debts instruments issued by G10 countries and debt instruments rated "BBB" and above on the condition they are held at fair value.
- Intermediate Circular 567 issued on 26 August 2020 (amending Basic Circular 23, 44 and 78), which partly altered the directives for the determination of expected credit losses and regulatory capital calculation and ratios, previously set in its Intermediate Circular 543 issued on 3 February 2020. Loss rate applied for the calculation of regulatory expected credit losses on exposures to Lebanese sovereign bonds in foreign currencies was increased from 9.45% to 45%, (later on increased again to 75% by Intermediate Circular 649), while loss rates applied for the calculation of regulatory expected credit losses on exposures to Lebanese sovereign bonds in local currency, exposures to the Central Bank of Lebanon in foreign currencies and exposures to the Central Bank of Lebanon in local currency remained the same (0%, 1.89% and 0% respectively).
- Allowing banks to constitute the expected credit losses on exposures to Lebanese sovereign and the Central Bank of

It focuses on:

- Defining the financial gap,
- Identifying irregular transactions/assets,
- Determining how losses are absorbed,
- Setting rules for deposit settlement,
- And creating a Deposit Recovery Fund backed by Asset Backed Securities (ABS)

On 27 December 2025, the Cabinet approved the draft Financial Regularisation and Deposit-Recovery law and transmitted it to Parliament.

Lebanon, progressively over a period of five years, noting that the Central Bank of Lebanon's Central Council may accept to extend the term to 10 years for banks that manage to complete the 20% cash contribution to capital requirement. Intermediate circular 649 issued on 24 November 2022 replaced the aforementioned five years and ten years deadline by the fixed dates of 31 December 2026 and 31 December 2029 respectively.

- Allowing banks not to automatically downgrade loan classification or staging for borrowers that were negatively affected by the COVID-19 pandemic, showing past due and unpaid for the period from 1 February 2020 to 31 December 2020. These borrowers must be identified as either still operating on a going concern basis or not. In case the borrower is still operating as a going concern, the Bank may reschedule the loan. In exceptional cases when the borrower ceases to operate as a going concern following the impact of the COVID-19 pandemic, the Bank must immediately downgrade the loan classification and staging to Stage 3 (default).
- Requesting from banks to finalise the assessment of the future financial position of their customers by 31 December 2020, and to estimate expected credit losses based on this assessment and recognise the financial impact in the statement of income for the year ended 31 December 2020.
- Prohibiting banks from distributing dividends on common shares for the years 2019 and 2020 (Years 2021, 2022, 2023, 2024 and 2025 were subsequently added by way of Intermediate Circulars 616, 659, 676, 726 and 741 respectively).
- Requesting from banks to increase their own funds (equity) by an amount equal to 20% of their common equity Tier 1 capital as of 31 December 2018, through issuing new foreign currency capital instruments that meet the criteria for inclusion as regulatory capital, except retained earnings and gain from revaluation of fixed assets. The Central Bank of Lebanon's Central Council may exceptionally approve for a bank to complete 50% of the 20% required capital increase through

the transfer of real estate properties from the shareholders to the concerned bank. However, these real estate properties must be liquidated in a period of 5 years following the operation.

- Changing the treatment of revaluation of fixed assets reserve for regulatory capital calculation, to become allowed for inclusion as Common Equity Tier 1 (previously 50% of this reserve was allowed for inclusion as Tier 2), subject to approval of the Central Bank of Lebanon on the revaluation gain. On 20 January 2023, Intermediate Circular 659 capped the inclusion of revaluation of fixed assets at 50% under certain conditions while allowing the use of the prevailing Sayrafa rate at the end of each reporting period over 5 years. Besides, it widened the scope of revaluation to include participations and long-term loans to affiliated banks and financial institutions. Intermediate Circular 685 issued on 28 December 2023 increased the contribution of this revaluation to Common Equity Tier 1 from 50% to 75%. Intermediate Circular 741 issued on 10 September allows banks to annually revalue real estate assets owned directly or through real estate companies until 31 December 2026 under Article 153 of the Code of Money and Credit and allows inclusion of 75% of revaluation gains in Tier 1 capital subject to Central Bank verification and completion by 31 December 2026. Revaluation must be in fresh USD and recorded in LBP at specified rates (LBP 1,507.5 to the US Dollar until 31 January 2023; LBP 15,000 the US Dollar until 31 January 2024; LBP 89,500 the US Dollar until 31 May 2025; and at the official platform rate from 1 June 2025 onward). Similar provisions apply to fixed assets acquired through debt settlement under Article 154 with the same conditions and deadlines.
- Banks must comply with the minimum capital adequacy ratios and are forbidden from distributing profits if these ratios drop below 7% for common equity Tier 1, 10% for Tier 1 and 12% for total capital. Banks must maintain a capital conservation buffer of 2.5%, comprised of Common Equity Tier 1. After allowing banks to draw down the buffer fully during 2020 and 2021, a partial drawn up to 1.75% in 2022, latest regulatory changes allowed a full draw down of the 2.5% buffer during years 2023, 2024, 2025, and 2026. Central Bank of Lebanon will issue future instructions for reconstitution of capital.
- Intermediate Circular 740 issued on 29 August 2025 temporarily allows banks to reduce the "Capital Conservation Buffer" below the required 2.5% for the years 2023–2025, with gradual restoration per future BdL instructions, extended for the year 2026 by Intermediate Circular 760 issued on 4 May 2026.
- Preparing and presenting to the Central Bank of Lebanon a comprehensive plan for rectifying non-compliances with regulatory capital requirements and other regulations imposed by the Central Bank of Lebanon, taking into consideration all required provisions by the Banking Control Commission of Lebanon (BCCL), as well as other losses or provisions that the Bank expects to incur from all kinds of exposures to risks, and specifying the period of time needed to address the non-compliances.
- Exceptionally for the years 2020 and 2021, Allowances for Expected Credit Losses on Stage 1 and 2 exposures, excluding

those relating to Lebanese sovereign and the Central Bank of Lebanon, may be included under regulatory Common Equity Tier 1. This treatment will be amortised over a period of 3 years (2022-2024 by 25% yearly).

- Basic Circular 154 issued on 27 August 2020 and aiming mainly at restoring the operations of banks in Lebanon to their normal levels as at before October 2019, and rectifying any non-compliance with regulatory ratios and banking regulations. The circular mainly introduced the following measures:
 - Requesting banks to present a fair assessment of the value of their assets and liabilities for the purpose of putting in place the comprehensive plan referred to in Intermediate Circular 567 (refer to above), in order to be able, within a period limited in time, to comply with the regulatory and banking requirements, mainly those related to liquidity and solvency, and in order to restore the operations of the Bank to their normal levels as at before October 2019.
 - Requesting banks to incite each customer who has transferred abroad, between 1 July 2017 and the date of the circular, more than USD 500,000 or their equivalent in other foreign currencies, to deposit in a 5-year term (extended to 8-year term following Intermediate Circular 707 date 20 September 2024) "special account" an amount equal to 15% to 30% (depending on the type of customer) of the transferred amount. Banks shall use this type of deposits to facilitate foreign operations that stimulate the national economy. This is also applicable for the banks' importing customers, based on opened letters of credits during any of the years 2017, 2018 and 2019, and without a minimum threshold.
 - Requesting from banks to maintain a current account with a foreign correspondent bank offshore, free of any obligations (cash on premises and liquidity abroad). Such accounts shall be at no time less than 3% of the Bank's total foreign currency deposits as at 31 July 2020, by 28 February 2021. This requirement was subject to several amendments; the latest (Intermediate Circular 707) considered foreign currency deposits as at 31 July 2024 as the basis for the computation instead of 31 July 2020, thus lowering liquidity required levels as customers' deposits decreased over the period. Besides, it extended the date to comply to be 31 December 2025 instead of 28 February 2021. Also it added to the numerator Lebanese sovereign Eurobonds as well as US Treasury and Investment grade foreign debt instruments on the condition they are held at fair value. Intermediate Circular 716 issued on 21 November 2024 expanded again the scope to include sovereign debts instruments issued by G10 countries and debt instruments rated "BBB" and above held at fair value.
 - Requesting from banks, after taking consideration of their fair assessment of their financial position, to present a plan during the first quarter of 2021, to address recapitalisation needs, if any, to the Central Bank of Lebanon's Central Council, for its approval. Banks shall take the necessary legal and regulatory measures in order to facilitate the consensual possibility for

their depositors to transfer their deposits to shares or bonds. Bank shares will be exclusively listed in Beirut. Banks can pay interest on the bonds that exceed current levels.

- Basic Circular 157 issued on 10 May 2021 and setting the framework of exceptional measures for foreign-currency operations. Hence, banks operating in Lebanon must process customers' FX operations (buy and sell) related to their personal or commercial needs on the electronic platform "Sayrafa". Transactions with customers encompass purchase and sale of foreign currencies banknotes against LBP, as well as operations from/to foreign currencies external accounts against LBP. Banks are required to properly document each transaction and should not collect commission margins between buy and sell operations exceeding 1%.
- Basic Circular 158 issued on 8 June 2021 and defining the mechanism for the gradual settlement of foreign currency deposits up to an amount equivalent to USD 50,000. To benefit from the provisions of the said circular, certain eligibility criteria must be met.

Eligible funds will be transferred to a subaccount over which banking secrecy will be lifted vis-à-vis BdL and BCC before being gradually withdrawn and remitted to the customer on a monthly basis. Customers' monthly entitlements are (i) an amount of USD 400 in cash or equivalent (transfer abroad, credited to a payment card with international usage, etc.) (amended later on to USD 300 for all BdL 158-based contracts signed with the customers after 1 July 2023 following the issuance of BdL intermediate circular 674 on 5 July 2023) and (ii) an amount in LBP equivalent to USD 400 and converted at a rate USD/LBP 12,000 (before amendment USD/LBP at 15,000 on 20 January 2023), noting that 50% of the amount will be paid in cash and 50% will be credited to a payment card. The portion in LBP was later on removed with the issuance of BdL Intermediate Circular 674. On 17 November 2023, BdL issued Intermediate Circular 682 adding an eligibility criteria to benefit from Basic Circular 158.

On 8 June 2024, Intermediate Circular 697 expanded the scope of beneficiaries to include minors. Besides, beneficiaries of BdL Basic Circular 158 can now benefit from BdL Basic Circular 166 as long they don't benefit from both circulars concurrently in the same "yearly cycle" (1st of July in any given year -30th of June in the following year). The yearly cycle requirement was later on removed by Intermediate Circular 717 issued on 26 November 2024.

During 2024 several intermediary circulars were issued granting additional payments to beneficiaries of Basic Circular 158 (2 in October 2024, 1 for each month from November 2024 to January 2025) All additional payments were financed from the Bank's compulsory reserves with BdL in foreign currency. Intermediate circular 729 issued on 20 February 2025 increased the monthly payment to be \$500 for all beneficiaries of Basic Circular 158. The monthly payment was further increased to \$800 (Intermediate circular 736 issued on 18 June 2025). Intermediate Circular 746 issued on 28 November 2025 increased the monthly payment by \$200 to be \$1,000 that can only be used through POS. These additional amounts were financed from the Bank's compulsory reserves with BdL in foreign currency.

Customers who have transferred their funds after the crisis to another local Bank can benefit from the provisions of said circular if (i) transferred funds are returned to the originating bank, and if (ii) the customer hadn't benefited from the circular neither from the originating Bank, nor the destination Bank. The financing of the aforementioned process will be secured equally through (i) BdL reduction of compulsory reserves requirements from 15% to 14% as per BdL Intermediate Circular 586 and then from 14% to 11% as per BdL Intermediate Circular 731 issued on 27 March 2025 (ii) the Bank's offshore liquidity. To that end, the Bank can use its foreign liquidity subject computed as per BdL Basic Circular 154 requirements on the condition that it reconstitutes it by 31 December 2022, extended to 31 December 2023 by Intermediate Circular 626 issued on 21 June 2022.

- Basic Circular 159 issued on 17 August 2021 preventing banks from processing foreign currency funds received from customers whether in the form of cash or through offshore transfers at a value other than its face value, with the exception of transactions pertaining to the settlement of loans (which was subsequently removed by Intermediate Circular 671 issued on 20 June 2023). It also prevented banks from purchasing foreign currencies at parallel rate with the exception of the purchase foreign currencies duly recorded on the electronic platform and resulting from offshore incoming transfers with the purpose of (i) enhancing liquidity, (ii) engaging in medium or long term investments, (iii) settling international commitments. Finally, the circular prevented banks from purchasing bankers' checks and other bank accounts in foreign currencies, whether directly or indirectly.
- Intermediate Circular 600 (amending Basic Circular 73) issued on 3 November 2021 requires banks to record existing and future provisions for expected credit losses in the same currency as the related assets and off-balance sheet exposures. Banks are also required to set in place necessary measures to manage their FX position resulting from provisions recorded in foreign currencies.
- Intermediate Circular 616 issued on 3 March 2022 prohibiting banks from distributing dividends to ordinary shareholders from results of financial years 2019, 2020 and 2021 (years 2022, 2023, 2024 and 2025 were added through Intermediate Circular 659, 676, 726 and 741 respectively).
- Basic Circular 162 issued on 28 March 2022 requesting from banks to secure a level of liquidity sufficient to allow public sector employees to withdraw their monthly salaries and other compensations without setting any type of limits.
- Basic Circular 163 issued on 27 May 2022 defining the framework for the monitoring of the accounts of public officials, the performance of due diligence on their operations and the reporting to the Special Investigation Committee on the basis of founded suspicion.
- Intermediate Circular 637 issued on 27 July 2022 (amending Basic Circulars 65 and 78) requires banks selling real estate properties or participations acquired in accordance with the provisions of Article 153 or 154 of the CMC, only against fresh USD or its equivalent in LBP based on Sayrafa rate.

- Basic Circular 164 issued on 12 October 2022 and requesting banks to report to the Banking Control Commission on the cost of their monthly operating expenses that should be paid with fresh money, the resources for settling these expenses and how to ensure those resources.
- Intermediate Circular 648 issued on 1 November 2022 (amending Basic Circulars 14 and 67) reduced by 50% the interest rates served on foreign currencies placements with BdL and on Certificates of Deposits issued by BdL while continuing paying 50% of coupon payment in the instrument's currency and 50% in LBP at official rate (LBP 1,507.5 to the US Dollar until 31 January 2023 and LBP 15,000 to the US Dollar afterwards). This circular was later amended on 2 February 2024 by Intermediate Circular 686 increasing the interest rate reduction on foreign currencies placements with BdL and on Certificates of Deposits issued by BdL from 50% to 75% while limiting the coupon payment to be in FCY only. The Intermediate Circular 701 issued on 27 June 2024 specified that interests paid in USD by BdL on the banks' term deposits in US dollars and on Certificates of deposits in US Dollars owned by banks will be placed in the non- "cash money" current account opened at BdL for the concerned bank. Those provisions are applicable until 31 December 2024. Intermediate Circular 738 issued on 18 June 2025 extended the deadline to 31 December 2025. Intermediate Circular 749 issued on 30 December 2025 amended the interest reduction from 75% to 90%.
- Intermediate Circular 656 issued on 20 January 2023 stating that Banks and financial institutions operating in Lebanon must not accept the repayment of loans granted in foreign currencies to non-residents, of which off-shore companies, except through incoming cross-border transfers of fresh funds.
- Basic Circular 165 issued on 19 April 2023 and requesting banks to open new accounts at BdL in LBP and in USD specifically and exclusively for the "Cash Money" (i.e. money transferred from abroad and/or received as banknotes in foreign currencies after 17 November 2019 in addition to the money deposited or which will be deposited as banknotes in new accounts in LBP and which respect the conditions set in BdL basic circular 150 for "fresh money"). These new accounts will be used for the settlement, compensation & transfer operations through BdL National Payment System (BdL-NPS).
- Intermediate Circular 683 issued on 17 November 2023 amending the provisions BdL Basic Circular 32 which defines the framework of Foreign Exchange ("FX") operations in Banks operating in Lebanon and various FX positions computation. This circular came on the wake of several amendments applied in 2023 (Intermediate Circular 659, Intermediate Circular 675 and Intermediate Circular 677) aiming at converging to the IAS 21: The Effects of Changes in Foreign Exchange Rates differentiating monetary from non-monetary items and the corresponding impact on the Bank's FX position. Based on the new definition, the Bank is authorized to hold a Special Long FX position to hedge its core equity against FX risk. This special long FX position is to be deducted from the FX open position to reach the FX Trading Position. Besides, the circular reintroduced the 1% maximum limit (if the Bank holds concurrently a long open

position and a net long trading position) on net trading position and 40% limit on Global position, while cancelling all previously authorized structural/fixed positions and any forbearance limit. The Intermediate Circular 730 issued on 20 February 2025 circular stated that excesses over set limits whether long or short should be liquidated by 31 December 2025. Intermediate Circular 755 issued on 9 January 2026 extended the deadline for short FX open position to 31 December 2026 and Intermediate Circular 762 issued on 8 May 2026 extended the deadline for long FX open position to 31 December 2026.

- Intermediate Circular 689 issued on 2 February 2024 permitting the full inclusion in Common Equity Tier 1 of balance of Foreign Currency Translation Adjustments as well as 75% of net changes from FVTOCI instruments. Besides, it allowed a full draw down of the 2.5% capital conservation buffer during years 2023 and 2024). This circular was later amended on 29 August 2025 by Intermediate Circular 740 including year 2025. Intermediate Circular 755 issued on 9 January 2026 extended the deadline for short FX position to 31 December 2026.
- Intermediate Circular 690 issued on 2 February 2024 permitting the full inclusion in the regulatory equity of positive balance (gains) of Foreign Currency Translation Reserve noting that this equity is used for the computation of various regulatory ratios other than capital adequacy ratios (FX position, limit of placement with FI, Code of money credit ("CMC") 153 limit.
- Basic Circular 166 issued on 2 February 2024 defining a new mechanism for the repayment of restricted funds in FCY and de-facto replacing Basic Circular 151, which authorized limited withdrawals in LBP from foreign currencies accounts at pre-defined exchange rates and has not been renewed. Beneficiaries from said circular – who cannot be old or current beneficiaries from Basic Circular 158 - would be able to withdraw on a monthly basis USD150 in cash up to a cumulative amount of USD 4,350 until June 2026. 50% of said amount will be financed from the Bank's own liquidity and 50% from the Bank's restricted funds with BdL. Certain exclusions parameters apply to potential customers wishing to benefit from the circular (Customers who did not return offshore transfers as per basic circular 154, traders of checks, customers who converted LBP deposits into foreign currencies for at least USD 300,000 post-crisis with the exception of those who converted their end of service indemnity, customers who settled their FCY loans for an amount equivalent to USD 300,000 from LBP proceeds, beneficiaries of sayrafa transactions above or equal to USD 75,000, corporate clients, etc.). On 27 June 2024, Intermediate Circular 698 expanded the scope of beneficiaries to include minors. Besides, beneficiaries of BdL Basic Circular 166 can now benefit from BdL Basic Circular 158 as long they don't benefit from both circulars concurrently in the same "yearly cycle" (1st of July in any given year-30th of June in the following year). The yearly cycle requirement was later on removed by Intermediate Circular 718 issued on 26 November 2024. During 2024 several intermediary circulars were issued granting additional payments to beneficiaries of Basic Circular 166 (2 in October 2024, 1 for each month from November 2024 to January 2025) All additional payments were financed from the Bank's compulsory reserves with BdL in foreign currency.

Intermediate circular 728 issued on 20 February 2025 increased the monthly payment to be \$250 for all beneficiaries of Basic Circular 166; cumulative amount was increased accordingly from USD 4,350 to USD 6,700. The monthly payment was further increased to \$400 (Intermediate circular 737 issued on 18 June 2025) and the cumulative amount was increased accordingly from USD 6,700 to USD 8,500. Intermediate Circular 747 issued on 28 November 2025 increased the monthly payment by \$100 that can only be used through POS and the cumulative amount was increased to USD 9,200. These additional amounts were financed from the Bank's compulsory reserves with BdL in foreign currency.

- Basic Circular 167 issued on 2 February 2024 defining the published rate on BdL's electronic platform as the FX translation rate for the Bank's FCY monetary items as well for the non-monetary assets measured at fair value and assets measured as per equity method in line with IAS 21. This measure applies starting January 2024 reported financials.

- Intermediate Circular 708 issued on 20 September 2024 (amending Basic Circulars 43 and 44) changing the treatment of revaluation of foreclosed assets for regulatory capital calculation, to become allowed for inclusion as Common Equity Tier 1 for 75% of its value (previously 33% of this reserve was allowed for inclusion as Tier 2), subject to approval of the Central Bank of Lebanon on the revaluation gain and on the completion of the revaluation before 31 December 2025 extended to 31 December 2026 by Intermediate Circular 741 issued on 10 September 2025.

- Intermediate Circular 712 issued on 10 October 2024 (amending Basic Circular 147) requesting from Banks to refund customers' accounts with the proceeds of a Banker's check issued by the Bank from the concerned customer's account on the condition it has not been endorsed and there are no related litigations. Besides, if the customer is eligible, he can benefit from provisions of Basic Circulars 158 and 166.

- Intermediate Circular 723 issued on 13 January 2025 (amending Basic Circular 81) restricting the granting of loans in US Dollars to "cash money" only as per Basic Circular 165 definition.

- Intermediate Circular 733 issued on 27 March 2025 (amending Basic Circular 159) permitting banks to purchase foreign currencies provided that the margins and commissions do not exceed 1% of the purchase price to only sell local foreign currency only to Central Bank of Lebanon. Banks are also restricted to sell or purchase financial instrument in Local foreign currencies

without prior approval from Central Bank of Lebanon (amended with Intermediate Circular 734 issued on 14 April 2025).

- Intermediate Circular 742 issued on 10 September 2025 requires banks, when issuing banker's checks or certified checks in Lebanese pounds, to ensure the purpose is legitimate (personal or commercial uses, tax payments, judicial deposits...) and does not lead to currency speculation. These checks must include the phrase "Payable only to the first beneficiary (non-endorsable)."

- Intermediate Circular 744 issued on 27 October 2025 excludes Lebanese Treasury Bonds in foreign currencies (Eurobonds) from the specified ratio and prohibits non-compliant banks from selling these bonds. Compliant banks may sell Eurobonds provided proceeds are used primarily to: (1) secure liquidity for one year, and (2) finance commercial and investment operations, without covering operating expenses.

- Basic Circular 169 issued on 1 July 2025 subjecting any offshore transfer of FCY restricted deposits to BdL approval in the name of equal treatment of depositors.

- Basic Circular 171 issued on 14 November 2025 requires all banks and institutions under the supervision of the Central Bank to comply with requests for lifting banking secrecy from the Central Bank and/or the Banking Control Commission without any excuse. Requests may include any records or information related to individuals or entities, retroactively up to ten years from the law's issuance date. Requests must be sent securely (encrypted electronically or confidentially in writing) and signed by authorized officials. Banks must establish internal procedures to handle requests, ensure secure transmission, and maintain confidentiality. Documents must be marked "Confidential," and receipt must be confirmed. Records of transmission and receipt must be kept for at least ten years. Banks must respond within 15 working days. Non-compliance subjects institutions to legal penalties. The Banking Control Commission monitors implementation and may update procedures.

- Basic Circular 172 issued on 21 January 2026 requires all banks to ensure that customers complete the Cash Transaction Slip (CTS) as per attached Form (RF2), whenever they carry out at a specific bank, on a daily basis, one or more cash deposits equal to, or above USD 10,000 or its equivalent in any other currency. The information provided in the CTS Form is cross-checked against the information in the KYC Form to verify its consistency.

1.3. PARTICULAR SITUATION OF THE GROUP

EXCHANGE RATES

Several exchange rates had emerged since the last quarter of 2019 that varied significantly among each other and from the official published exchange rate. The official exchange rate was changed from LBP 1,507.5 to LBP 15,000 to the US Dollar in February 2023 and from LBP 15,000 to LBP 89,500 to the US Dollar in January 2024. Sayrafa Rates (refer to below) and parallel market rates remained highly volatile and divergent from the official published exchange rates since the last quarter of 2019 up to the last change in the official published exchange rate in January 2024, as a result of which they became convergent.

The Group recorded the effect of that change in the consolidated income statement for the year ended 31 December 2024 under

"Net trading (loss) gain" and in the consolidated comprehensive income under "Exchange differences on translation of foreign operations". The corresponding figures for the year ended 31 December 2024 have not restated to reflect the effect of using exchange rates compliant with IAS 21 – The Effects of Changes in Foreign Exchange Rates.

Assets and liabilities in foreign currency, transactions in foreign currency and foreign currency translation reserves, regardless of whether they are onshore or offshore, were reflected in these consolidated financial statements at the official published exchange rates as follows:

	2025		2024	
	Year-end Rate LBP	Average Rate LBP	Year-end Rate LBP	Average Rate LBP
US Dollar	89,500.00	89,500.00	89,500.00	89,500.00
Euro	105,386.25	101,250.67	93,465.00	96,752.54
Swiss Franc	113,535.46	108,217.03	99,224.00	101,528.59
Turkish Lira	2,085.02	2,251.39	2,534.10	2,709.75
Saudi Riyal	23,864.76	23,860.88	23,835.00	23,852.32
Qatari Riyal	24,552.84	24,554.69	24,551.00	24,548.04

The exchange rates above consist of the official exchange rates published by the Central Bank of Lebanon on a monthly basis.

SAYRAFA PLATFORM

On 10 May 2021, the Central Bank of Lebanon issued Basic Circular 157 setting the framework of exceptional measures for foreign-currency operations. Hence, banks operating in Lebanon must process customers' FX operations (buy and sell) related to their personal or commercial needs on the electronic platform "Sayrafa". Transactions with customers encompass purchase and sale of foreign currencies banknotes against LBP, as well as operations

from/to foreign currencies external accounts against LBP. Sayrafa corresponds to a floating system and the Sayrafa average rate and volume of foreign currency operations are published on the website of the Central Bank of Lebanon.

Foreign currency operations were executed on the Sayrafa platform at the following exchange rates:

	Rate as at 31 December 2025 LBP	Average Rate for the Year Ended 31 December 2025 LBP	Rate as at 31 December 2024 LBP	Average Rate for the Year Ended 31 December 2024 LBP
US Dollar			89,500	89,500

The platform rate is not available for the purchase and sale of and "local" foreign currency bank accounts which are subject to de-facto capital controls.

The Group uses the official published exchange rate to translate all balances and transactions in foreign currencies, regardless of their source or nature. With respect to onshore monetary assets and liabilities, subject to de-facto capital controls, this does not

always represent a reasonable estimate of expected cash flows in Lebanese Pounds that would have to be generated/used from the realisation of such assets or the payment of such liabilities at the date of the consolidated financial statements.

EXCEPTED CREDIT LOSSES

As at 31 December 2025, loss allowances on assets held at the Central Bank of Lebanon are recorded in these consolidated financial statements at the loss rates mentioned in the Central Bank of Lebanon's Basic Circular 44 in addition to an amount of LBP 1,138,206 million. Due to the high levels of uncertainty and to the lack of observable indicators and of visibility on the government's plans with respect to banks' exposure to the Central Bank of Lebanon and Lebanese sovereign, we are unable to estimate in a reasonable manner expected credit losses on these exposures. Accordingly, these consolidated financial statements do not include adjustments of the carrying amount of these assets to their recoverable amounts based on IFRS Accounting Standards as issued by the International Financial Accounting Standards Board (IASB) and an expected credit loss model.

The impact is expected to be pervasive and will be reflected in the consolidated financial statements once the debt restructuring has been defined conclusively by the government and all uncertainties and constraints are resolved, and once the mechanism for allocating losses by asset class and currency is clear and conclusive. Maximum exposures to the credit risk of the Central Bank of Lebanon and the Lebanese government and the recognised loss allowances, as well as their staging, are detailed in Note 53 to these consolidated financial statements.

As a result of the negative economic conditions and the deepening of the recession, the credit quality of the private loans portfolio concentrated in Lebanon has significantly deteriorated since the last quarter of 2019. The deterioration was further aggravated by the effects of the significant high inflation in Lebanon. Since the start of the Lebanese crisis, the Bank has been implementing a de-risking strategy by considerably reducing its assets size, specifically its portfolio of private loans concentrated in Lebanon. It has also set up a centralised and specialised remedial function to proactively

LITIGATIONS AND CLAIMS

Until the above uncertainties are resolved, the Group is continuing its operations as performed since 17 October 2019 and in accordance with the laws and regulations. De-facto capital controls and inability to transfer foreign currencies to correspondent banks outside Lebanon are exposing the Group to litigations that are dealt with on a case by case basis when they occur. The Group has been subject to increased litigations as a result of these restrictive measures adopted by Lebanese banks in relation to withdrawal of funds and transfers abroad, as well as in relation to the repayment by customers of local foreign currency loans in Lebanese Pounds.

review and manage the quality of its various portfolios. The private loans portfolio of Lebanese entities has significantly contracted since the onset of the Lebanese crisis. With all other variables held constant, Management believes that the significant devaluation of the Lebanese Pound (and de-facto local US Dollar) and the triple digit inflation, reduced the risks of default compared to 31 December 2019.

However, given the high level of uncertainties facing the Lebanese economy and the expected type of instruments underlying future cash flows on settlement of these private loans, loss allowances have been estimated based on the best available information at the reporting date about past events, current conditions and forecasts of economic conditions combined with expert judgment. Maximum exposures to the credit risk of the Group's portfolio of private loans and the recognised loss allowances, as well as their staging, are detailed in Note 53 to these consolidated financial statements.

The consolidated financial position of the Group, as reported in these consolidated financial statements, does not reflect the adjustments that would be required by IFRS Accounting Standards as a result of the future government reform program, the deep recession, the currency crisis and the hyperinflation. Due to the high levels of uncertainties, the lack of observable indicators, the uncertainty on the exchange rate, and the lack of visibility on the government's plans with respect to: (a) the high exposures of banks with the Central Bank of Lebanon, (b) the Lebanese sovereign securities, and (c) the currency exchange mechanisms and currency exchange rates that will be applied on foreign currencies subject, subject to de-facto capital controls. Management is unable to estimate in a reasonable manner the impact of these matters on its consolidated financial position. Management anticipates that the above matters will have a materially adverse impact on the Group's consolidated financial position and its consolidated equity.

Management is carefully considering the impact of these litigations and claims. There are still uncertainties related to the consequences of these restrictive measures based on the current available information and the prevailing laws and local banking practices. Management believes that a legislative solution is urgently needed, through the enactment of laws that are appropriate for the adjudication of the unconventional legal disputes arising under the current exceptional circumstances. Management considers that they may affect negatively the position of the Group. The amount cannot be determined presently.

LAW 330 DATED 4 DECEMBER 2024

Law 330 enacted on 4 December 2024 (amending Article 45 of Income Tax Law 144 and its amendments), authorized taxpayers to conduct a non-taxable exceptional revaluation of fixed assets and inventory, and an exceptional adjustment on the negative or positive foreign exchange differences resulting from receivable and payable balances and from financial accounts in foreign currency. On 12 March 2025, the Ministry of Finance issued the decisions 338, 339 and 340 related to the application of Law 330.

Law 330 enacted on 4 December 2024 (amending Article 45 of Income Tax Law 144 and its amendments), authorized taxpayers to conduct a non-taxable exceptional revaluation of fixed assets

MEASURES BY THE BANK

Meanwhile, the Bank is exerting extended efforts to (a) strengthen its capitalisation, (b) enhance the quality of its private loans portfolio, deleveraging it as appropriate and downsizing its balance sheet, (c) build up its offshore liquidity and reduce its commitments and contingencies to correspondent banks and financial institutions outside Lebanon, and (d) manage operating profitability.

On 1 October 2020, the Bank received a letter from the Central Bank of Lebanon, referring to Basic Circular 154 and Intermediate Circular 567, and requesting the Bank to submit a roadmap that sets out the following:

- The Bank's overall strategy for the years 2020-2024.
- The Bank's assessment of its portfolio of private loans and expected credit losses as at 31 December 2020, as well as total realised and expected losses for the year 2020.
- The amount of expected credit losses that have not been translated yet to foreign currencies.
- The capital needs to comply with the minimum required capital and the measures and sources that will be relied upon to cover the shortfall, when existing.
- The Bank's strategy with respect to its investments in foreign banks and branches.
- The mechanism to rectify any non-compliance with regulatory requirements.
- The measures that will be taken to rectify non-compliances with articles 154 and 153 of the Code of Money and Credit, if any.
- The measures that will be taken to attract foreign liquidity or "fresh funds" and to cover liquidity onshore and offshore commitments.

The roadmap was submitted to the Central Bank of Lebanon on 18 February 2021, including a number of assumptions that remain highly susceptible to material change depending on the evolution of the financial, monetary and operating conditions in Lebanon. Hence, a definitive reasonable and credible roadmap can only be achieved once the many material uncertainties still governing the outlook in Lebanon are resolved and the amount of recapitalisation needs is accurately determinable.

Once the above uncertainties are resolved, a pro-forma balance sheet of the Bank will be prepared which will include the effects of the hyperinflation, the effects of the restructuring of the government debt securities, the effects of the restructuring of

and inventory, and an exceptional adjustment on the negative or positive foreign exchange differences resulting from receivable and payable balances and from financial accounts in foreign currency. On 12 March 2025, the Ministry of Finance issued the decisions 338, 339 and 340 related to the application of Law 330.

On 1 August 2025, the Ministry of Finance issued decision 715/1 related to the application of law 330 by banks. The Bank applied the requirements of Law 330 and the application decisions and restated previously submitted financial statements as disclosed in Note 3. The application of Law 330 did not have an impact on tax liability at 31 December 2025 or previous years.

the Central Bank of Lebanon balance-sheet and the effects on its private loan portfolio.

The Bank's key strategic objectives during this challenging period focused on the consolidation and de-risking of the domestic franchise and operations, and the ring-fencing of foreign entities and branches from Lebanon's spill-over effects.

In practice, Management has adopted a new strategic direction focusing on six main pillars to face the current financial and economic environment. These pillars are:

1. Asset quality: reduce the risk profile of the Group through the management of the Group's portfolio of assets by (1) sustaining the loan deleveraging policy, (2) maintaining higher loss allowances coverage, (3) closely monitoring the lending portfolios while taking early remedial actions on problematic files, and (4) smoothly reducing sovereign debt exposure, especially in foreign currency.

2. Quality of earnings: efforts to attract low cost and stable funding while maintaining relationships with good profile obligors with consistent and recurring returns and ancillary revenues. End result is for foreign entities to continue to provide the Group with diversified income generation capacity. Continuous rationalisation of operating expenses targeting a lean organisational structure, improving operational efficiency and reducing cost structure to adapt to the changing operating environment and the level of revenue streams of the Group.

3. Liquidity and ALM: create a liquidity buffer in anticipation of turbulences.

4. Solvency: maintain sufficient capital buffers over the minimum regulatory capital adequacy levels (calculated in accordance with the rules established by the Central Bank of Lebanon).

5. Operational and other non-financial risks: management of operational, compliance, legal, conduct, cyber, strategic and third-party risks while constantly updating business continuity plans to adapt to disruptions in business activities due to new occurring risks and changes.

6. Governance: strict adherence to the internal and regulatory Governance principles, with a particular focus on the control and risk-based oversight role of the Board of Directors to adapt to the particular requirements of the current challenging environment while mobilising the Bank's executive, control, and oversight committees for the continued effectiveness of the control framework. Maintaining abidance by CSR principles to ensure sustainability of the Group, taking into account the economic, social and environmental parameters of our operations in Lebanon and abroad.

The Group is taking measures to help strengthen its financial position, including international liquidity and solvency metrics. However, as at 31 December 2025, consolidated capital adequacy ratios stood at 7.72%, 7.81% and 8.96% for CET1, Tier 1 and Total CAR respectively (minimum regulatory levels of 4.5%, 6.0% and 8.0%, since banks are allowed to draw down on the 2.5% capital conservation buffer during 2024 and 2025).

In the continued absence of the long awaited banking restructuring plan, the Bank is unable to predict the impact of the crisis and the then adopted restructuring plan on the financial statements of the Bank in Lebanon, nor it is able to predict the measures that might be taken by the regulator in that regard. The Bank is also uncertain whether the measures implemented since the outset of the crisis and mentioned above would be sufficient to cover all its commitments as they become due and restore the activities of the Bank to normal pre-crisis levels. Such sufficiency and a reasonable and credible plan can only be achieved once the uncertainties from the prevailing crisis, and, as well as the implementation of a clear

national fiscal and economic recovery plan are resolved. It is only at that particular point in time that a pro-forma balance sheet of the Bank will be prepared and will include the effects of the hyperinflation, the effects of the restructuring of the government debt securities, the effects of the restructuring of the Central Bank of Lebanon balance-sheet and to a lesser extent the effects on its private loan portfolio.

The Lebanese crisis which was set off during the last quarter of 2019 has imposed severe limitations on the ability to conduct Commercial Banking activities or transactions under the normal course of business in Lebanon. Market embedded factors, such as de-facto capital controls, inability to secure foreign liquidity and the existence of several values for the US Dollar, resulted into several practices and transactions that would not qualify as normal course of business in a non-crisis environment, and for which there are no directly observable prices or a governing legal/regulatory framework. Such practices and transactions expose the Bank to increased litigation and regulatory risks, and negatively impact the financial position of the Bank, its regulatory ratios and covenants due the adverse effects of the uncertainties. There is a significant uncertainty in relation to the extent and period over which this situation will continue and the impact that conducting operations under a crisis environment in the foreseeable future will further have on the Group's financial position, future cash flows, results of operations, regulatory ratios and covenants. The Group's realisation value of assets and sufficiency and settlement value of liabilities are premised on future events, the outcome of which are inherently uncertain.

of an economic environment of this kind, IAS 29 provides certain guidelines: a cumulative three-year inflation rate exceeding 100% is a strong indicator of hyperinflation, but also qualitative factors, such as analysing the behaviour of population, prices, interest rates and wages should also be considered.

The Lebanese Central Administration of Statistics reported 3-year and 12-month cumulative rates of inflation of 287% and 12%, respectively, as of December 2025 (2024: 666% and 18%). Qualitative indicators, following the deteriorating economic condition and currency controls, also support the conclusion that Lebanon is a hyperinflationary economy for accounting purposes for periods ending on or after 31 December 2020. As of December 2025 and based on the inflation data published by Turkey Statistical Institute on 4 August 2025, the 3-year and 12-month cumulative increase in Consumer Price Index has been 220.39% and 35.05% (2024: 290.79% and 44.38%). Accordingly, the Turkish economy was defined as hyperinflationary economy and consequently IAS 29 should be implemented on the financial statements of the Group's subsidiary in Turkey starting for periods ending on or after 30 June 2022.

Therefore, entities whose functional currency is the Lebanese Pound or Turkish Lira should restate their financial statements to reflect the effects of inflation in conformity with IAS 29. Such restatements shall be made as if the Lebanese economy has always been hyperinflationary, using a general price index that reflects the changes in the currency's purchasing power.

The effects of the application of IAS 29 are summarised below:

- (a) Financial statements must be adjusted to consider the changes in the currency's general purchasing power, so that they are expressed in the current unit of measure at the end of the reporting period.
- (b) In summary, the restatement method under IAS 29 is as follows:
 - i. Monetary items are not restated in as much as they are already expressed in terms of the measuring unit current at the closing date of the reporting period. In an inflationary period, keeping monetary assets generates loss of purchasing power and keeping monetary liabilities generates an increase in purchasing power. The net monetary gain or loss shall be included as income for the period for which it is reported.
 - ii. Non-monetary items carried at the current value of the end date of the reporting period shall not be restated to be presented in the balance sheet, but the restatement process must be completed in order to determine into the current purchasing power at the end of the reporting period the income derived from such non-monetary items.
 - iii. Non-monetary items carried at historical cost or at the current value of a date prior to the end of the reporting period are restated using coefficients that reflect the variation recorded in the general level of prices from the date of acquisition or revaluation to the closing date of the reporting period, then comparing the restated amounts of such assets with the relevant recoverable values. Depreciation charges of property, plant and equipment and amortisation charges of intangible assets recognised in profit or loss for the period, as well as any other consumption of non-monetary assets will be determined based on the new restated amounts.
 - iv. Income and expenses are restated from the date when they were recorded, except for those profit or loss items that

reflect or include in their determination the consumption of assets carried at the purchasing power of the currency as of a date prior to the recording of the consumption, which are restated based on the date when the asset to which the item is related originated; and except those profit or loss items originated from comparing two measurements expressed in the purchasing power of currency as of different dates, for which it is necessary to identify the compared amounts, restate them separately and compare them again, but with the restated amounts.

- v. At the beginning of the first year of application of the restatement method of financial statements in terms of the current measuring unit, the prior year comparatives are restated in terms of the measuring unit current at the end of the current reporting period. The equity components, except for reserved earnings and undistributed retained earnings, shall also be restated, and the amount of undistributed retained earnings shall be determined by the difference between net assets restated at the date of transition and the other components of opening equity expressed as indicated above, once all remaining equity components are restated.

As of the date of the accompanying consolidated financial statements, Management did not apply the above-mentioned standard, nor is it able to quantify the effect that the application of IAS 29 would have on the presented consolidated financial statements. However, management estimates such effects to be significant. This situation must be taken into account when interpreting the information reported by the Group in the accompanying consolidated financial statements including its consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement.

The Group is currently assessing the date at which it will apply IAS 29. The application of IAS 29 is very complex and requires the Group to develop new accounting software and processes, internal controls and governance framework. Accordingly, the Group has postponed the application of IAS 29 and incurring costs for developing accounting processes and a governance framework until the Group is comfortable that such application would provide the users with more relevant information.

2.0. MATERIAL ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis except for: a) the revaluation of land and buildings pursuant to the adoption of the revaluation model of IAS 16 for this asset class, and b) the measurement at fair value of derivative financial instruments, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income.

The consolidated financial statements are presented in Lebanese Pounds (LBP) which is the Bank's functional currency, and all values are rounded to the nearest million, except when otherwise indicated.

As of 31 December 2025 and 2024, all conditions have been met for the Group's financial statements to incorporate the inflation adjustment provided under IAS 29 "Financial Reporting in Hyperinflationary Economies". IFRS requires that financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be restated into the current purchasing power at the end of the reporting period. Paragraph 4 of IAS 29 states that it is preferable for all entities that report in the currency of a hyperinflationary economy to apply the standard at the same date. In order to achieve uniformity as to the identification

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and the regulations

of the Central Bank of Lebanon and the Banking Control Commission ("BCC").

PRESENTATION OF FINANCIAL STATEMENTS

The Group presents its statement of consolidated financial position broadly in order of liquidity. An analysis regarding recovery or settlement within one year after the statement of consolidated

financial position date (current) and more than one year after the statement of consolidated financial position date (non-current) is presented in these Notes.

Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position. They are offset and the net amount is reported only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis – or to realise the assets and settle the liability simultaneously – in all of the following circumstances: a) the normal course of business, b) the event of default, and c) the event of insolvency or bankruptcy of the Group and/or its counterparties. Only gross settlement mechanisms with features that eliminate or result in insignificant credit and liquidity risk and that process

2.2. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Bank Audi sal and its subsidiaries as at 31 December 2025. Details of the principal subsidiaries are given in Note 46.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. However, under individual circumstances, the Group may still exercise control with less than 50% shareholding or may not be able to exercise control even with ownership over 50% of an entity's shares. When assessing whether it has power over an investee and therefore controls the variability of its returns, the Group considers all relevant facts and circumstances, including:

- The purpose and design of the investee.
- The relevant activities and how decisions about those activities are made, and whether the Group can direct those activities.
- Contractual arrangements such as call rights, put rights and liquidation rights.
- Whether the Group is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of

NON-CONTROLLING INTERESTS

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not owned by the Group. The Group has elected to measure the non-controlling interests in acquirees at the proportionate share of each acquiree's identifiable net assets. Interests in the equity of subsidiaries not attributable to the Group are reported in consolidated equity as non-controlling interests.

receivables and payables in a single settlement process or cycle would be, in effect, equivalent to net settlement. This is not generally the case with master netting agreements; therefore the related assets and liabilities are presented gross in the consolidated statement of financial position. Income and expense will not be offset in the consolidated income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group. The effect of netting arrangements is disclosed in Note 31.

the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value at the date of loss of control.

Where the Group loses control of a subsidiary but retains an interest in it, then such interest is measured at fair value at the date that control is lost with the change in carrying amount recognised in profit or loss. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. As such, amounts previously recognised in other comprehensive income are transferred to consolidated income statement.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group treats transactions with non-controlling interests as transactions with equity holders of the Group. For purchases from

non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net

assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The Group applied for the first time, certain amendments to the standards which are effective for annual periods beginning on or

after 1 January 2025. The nature and impact of each amendment is described below:

LACK OF EXCHANGEABILITY – AMENDMENTS TO IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that

enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. This amendment did not have a material impact on the Group's consolidated financial statements.

2.4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated

financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Bank's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS—AMENDMENTS TO IFRS 9 AND IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's consolidated financial statements.

ANNUAL IMPROVEMENTS TO IFRS ACCOUNTING STANDARDS - VOLUME 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10

Consolidated Financial Statements and IAS 7 Statements of Cash Flows. The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

CONTRACTS REFERENCING NATURE-DEPENDENT ELECTRICITY – AMENDMENTS TO IFRS 9 AND IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures. The Group does not expect that the amendments will have a material impact on its consolidated financial statements.

2.5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be

replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the consolidated income statement. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9.

Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments.

The income statement reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been

held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment in accordance with IFRS 8 "Operating Segments".

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operations and the portion of the cash-generating unit retained.

a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in the consolidated income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate

upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

FOREIGN CURRENCIES

The consolidated financial statements are presented in Lebanese Pound (LBP) which is also the Bank's functional currency. For each entity in the Group, the Bank determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Bank uses the step-by-step method of consolidation.

(i) Transactions and Balances

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction (as disclosed in Note 1).

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange (as disclosed in Note 1) at the date of the statement of financial position. All differences are taken to "net trading (loss) gain" in the consolidated income statement, except for monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as

at the dates of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or the income statement are also recognised in other comprehensive income or the income statement, respectively).

(ii) Group Companies

On consolidation, the assets and liabilities in foreign operations are translated into the Bank's presentation currency at the rate of exchange as at the reporting date (as disclosed in Note 1), and their income statements are translated at the monthly average exchange rates for the year (as disclosed in Note 1). The exchange differences arising on translation are recognised in OCI. On disposal of a foreign entity, the deferred cumulative amount recognised in OCI relating to that particular foreign operation is reclassified to the consolidated income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operations and translated at the exchange rate on the reporting date (as disclosed in Note 1).

FINANCIAL INSTRUMENTS – INITIAL RECOGNITION

(i) Date of Recognition

All financial assets and liabilities are initially recognised on the settlement date. This includes "regular way trades": purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(ii) Initial Measurement of Financial Instruments

Financial instruments are initially measured at their fair value, plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

In the case of a financial instrument measured at fair value, with the change in fair value being recognised in the income statement, the transaction costs are recognised as revenue or expense when the

instrument is initially recognised. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

(iii) Day 1 Profit or Loss

When the transaction price differs from the fair value at origination and the fair value is based on a valuation technique using only observable inputs in market transactions, the Group immediately recognises the difference between the transaction price and fair value (a "Day 1" profit or loss) in the consolidated income statement. In cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the consolidated income statement when the inputs become observable, or when the instrument is derecognised.

FINANCIAL ASSETS – CLASSIFICATION AND MEASUREMENT

On initial recognition, financial assets are classified as measured at: amortised cost, fair value through other comprehensive income, or fair value through profit or loss on the basis of two criteria:

- (i) The business model within which financial assets are measured; and
- (ii) Their contractual cash flow characteristics (whether the cash flows represent "solely payments of principal and interest" (SPPI)).

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets to collect contractual cash flows, and their contractual cash flows represent SPPI.

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and their contractual cash flows represent SPPI.

All other financial assets are classified as measured at fair value through profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

On initial recognition, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group is required to disclose such financial assets separately from those mandatorily measured at fair value.

Business Model

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. Generally, a business model is a matter of fact which can be evidenced by the way business is managed and the information provided to Management.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's Key Management Personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How Managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account.

The Group's business model can be to hold financial assets to collect contractual cash flows even when sales of financial assets occur. However, if more than an infrequent number of sales are made out of a portfolio, the Group needs to assess whether and how such sales are consistent with an objective of collecting contractual cash flows. If the objective of the Group's business model for managing those financial assets changes, the Group is required to reclassify financial assets.

The SPPI Test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at fair value through profit and loss.

Financial Assets at Amortised Cost

Balances with central banks, due from banks and financial institutions, loans and advances to customers and related parties at amortised cost, and financial assets at amortised cost.

These financial assets are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributed to the acquisition are also included in the cost of investment. After initial measurement, these are subsequently measured at amortised cost using the EIR, less expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in "interest and similar income" in the consolidated income statement. Losses arising from impairment are recognised in the consolidated income statement in "net (impairment loss) recovery on financial assets". Gains and losses arising from the derecognition of financial assets measured at amortised cost are reflected under "net gain on derecognition of financial assets and liabilities at amortised cost" in the consolidated income statement.

Financial Assets at Fair Value through Other Comprehensive Income

Debt Instruments at Fair Value through Other Comprehensive Income

These financial assets are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributed to the acquisition are also included in the cost of investment. After initial measurement, these are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income and foreign exchange gains and losses are recognised in the income statement in the same manner as for financial assets measured at amortised cost. The ECL calculation for debt instruments at fair value through other comprehensive income is explained below. On derecognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to the income statement.

Equity Instruments at Fair Value through Other Comprehensive Income

Upon initial recognition, the Group can elect to classify irrevocably some of its investments in equity instruments at fair value through other comprehensive income when they are not held for trading. Such classification is determined on an instrument-by-instrument basis.

These financial assets are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated under equity. The cumulative gain or loss will not be reclassified to the consolidated income statement on disposal of the investments.

Dividends on these investments are recognised under “non-interest revenue from financial assets at fair value through other comprehensive income” in the consolidated income statement when the Group’s right to receive payment of dividend is established in accordance with IFRS 15 “Revenue from contracts with customers”, unless the dividends clearly represent a recovery of part of the cost of the investment. Equity instruments at fair value through other comprehensive income are not subject to an impairment assessment.

FINANCIAL LIABILITIES (OTHER THAN FINANCIAL GUARANTEES, LETTERS OF CREDIT AND LOAN COMMITMENTS) – CLASSIFICATION AND MEASUREMENT

Liabilities are initially measured at fair value plus, in the case of a financial liability not at fair value through profit or loss, particular transaction costs. Liabilities are subsequently measured at amortised cost or fair value.

The Group classifies all financial liabilities as subsequently measured at amortised cost using the effective interest rate method, except for:

- Financial liabilities at fair value through profit or loss (including derivatives).
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Financial Assets at Fair Value through Profit or Loss

Included in this category are those debt instruments that do not meet the conditions in “financial assets at amortised cost” and “financial assets at fair value through other comprehensive income” above, debt instruments designated at fair value through profit or loss upon initial recognition, and equity instruments at fair value through profit or loss. Management only designates a financial asset at fair value through profit and loss upon initial recognition when the designation eliminates, significantly reduces, the inconsistent treatment that would otherwise arise from measuring assets or recognising gains and losses on them on a different basis.

Debt Instruments at Fair Value through Profit or Loss and Loans and Advances at Fair Value

These financial assets are recorded in the consolidated statement of financial position at fair value. Transaction costs directly attributable to the acquisition of the instrument are recognised as revenue or expense when the instrument is initially recognised. Changes in fair value and interest income are recorded under “net trading (loss) gain” in the consolidated income statement. Gains and losses arising from the derecognition of debt instruments and other financial assets at fair value through profit or loss are also reflected under “net trading (loss) gain” in the consolidated income statement, showing separately those related to financial assets designated at fair value upon initial recognition from those mandatorily measured at fair value.

Equity Instruments at Fair Value through Profit or Loss

Investments in equity instruments are classified at fair value through profit or loss, unless the Group designates at initial recognition an investment that is not held for trading as at fair value through other comprehensive income. These financial assets are recorded in the consolidated statement of financial position at fair value. Changes in fair value and dividend income are recorded under “net trading (loss) gain” in the consolidated income statement. Gains and losses arising from the derecognition of equity instruments at fair value through profit or loss are also reflected under “net trading (loss) gain” in the consolidated income statement.

- Contingent consideration recognised in a business combination in accordance with IFRS 3.

The Group may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when:

- Doing so results in more relevant information because it either eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair

value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group’s Key Management Personnel; or

- A group of financial liabilities contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivatives is prohibited.

Financial liabilities at fair value through profit and loss are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in the income statement with the exception of movements in fair value of liabilities designated at fair value through profit and loss due to changes in the Group’s own credit risk. Such changes in fair value are recognised in other comprehensive income, unless such recognition would create an accounting mismatch in the consolidated income statement. Changes in fair value attributable to changes in credit risk do not get recycled to the consolidated income statement.

Interest incurred on financial liabilities designated at fair value through profit or loss is accrued in interest expense using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument.

Debt Issued and Other Borrowed Funds

Financial instruments issued by the Group, which are not designated at fair value through profit or loss, are classified under “debt issued and other borrowed funds” where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a

fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, debt issued and other borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate method.

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. A portion of the net proceeds of the instrument is allocated to the debt component on the date of issue based on its fair value (which is generally determined based on the quoted market prices for similar debt instruments). The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the debt component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component is included in the debt component.

Due to Central Banks, Due to Banks and Financial Institutions, and Customers’ and Related Parties’ Deposits

After initial measurement, due to central banks, banks and financial institutions, and customers’ and related parties’ deposits are measured at amortised cost less amounts repaid using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate method. Customers’ deposits which are linked to the performance of indices or commodities are subsequently measured at fair value through profit or loss.

DERIVATIVES RECORDED AT FAIR VALUE THROUGH PROFIT OR LOSS

A derivative is a financial instrument or other contract with all three of the following characteristics:

- a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (also known as the “underlying”).
- b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- c) It is settled at a future date.

The Group enters into derivative transactions with various counterparties. These include interest rate swaps, futures, credit derivatives, cross-currency swaps, forward foreign exchange contracts and options on interest rates, foreign currencies and equities.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately in the notes. Changes in the fair value of derivatives are recognised in “net trading (loss) gain” in the consolidated income statement.

EMBEDDED DERIVATIVES

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

An embedded derivative is separated from the host and accounted for as a derivative if, and only if:

- (a) The hybrid contract contains a host that is not an asset within the scope of IFRS 9.
- (b) The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host.
- (c) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- (d) The hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss.

FINANCIAL GUARANTEES, LETTERS OF CREDIT AND UNDRAWN LOAN COMMITMENTS

Financial guarantees are initially recognised in the consolidated financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated income statement, and an ECL provision. The premium received is recognised in the income statement in "net fees and commission income" on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments are not recorded in the statement of financial position. The nominal values of these instruments, together with the corresponding ECLs, are disclosed in these notes.

RECLASSIFICATION OF FINANCIAL ASSETS

The Group reclassifies financial assets if the objective of the business model for managing those financial assets changes. Such changes are expected to be very infrequent and are determined by the Group's Senior Management as a result of external or internal changes when significant to the Group's operations and demonstrable to external parties.

that results in the reclassification of financial assets. Any previously recognised gains, losses or interest are not restated.

If a financial asset is reclassified so that it is measured at fair value, its fair value is determined at the reclassification date. Any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in the income statement. If a financial asset is reclassified so that it is measured at amortised cost, its fair value at the reclassification date becomes its new carrying amount.

DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Assets

(i) Derecognition Due to Substantial Modification of Terms and Conditions

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- Fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset.
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the

Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below).

If the modification of a financial asset measured at amortised cost or fair value through other comprehensive income does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

(ii) Derecognition Other than for Substantial Modification

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- The Group retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the "original asset"), but assumes a contractual obligation to pay those cash flows to one or more entities (the "eventual recipients"), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if:

- The Group has transferred substantially all the risks and rewards of the asset; or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the consolidated income statement, as "other operating income" or "other operating expenses".

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

IMPAIRMENT OF FINANCIAL ASSETS

(i) Overview of the ECL Principles

The Group records allowance for expected credit losses based on a forward-looking approach for all loans and other financial assets not held at fair value through profit or loss, together with loan commitments and financial guarantee contracts, in this section all referred to as “financial instruments”. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months’ expected credit loss (12mECL). The 12mECL is the portion of lifetime ECLs which represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

(ii) Measurement of ECLs

The Group measures ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR as follows:

- **Financial assets that are not credit-impaired at the reporting date:** as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- **Financial assets that are credit-impaired at the reporting date:** as the difference between the gross carrying amount and the present value of estimated future cash flows.
- **Undrawn loan commitments:** as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.
- **Financial guarantee contracts:** the expected payments to reimburse the holder less any amount that the Group expects to recover.

They key inputs into the measurements of ECL are:

- **PD:** the Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD:** the Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and expected drawdowns on committed facilities.
- **LGD:** the Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

These parameters are generally derived from statistical models and other historical data. Forward-looking information is incorporated in ECL measurements.

The Group measures ECLs using a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For these instruments with a remaining maturity of less than 12 months, probability of default corresponding to remaining term to maturity is used.

Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be impaired, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

Stage 3 – Financial instruments that are considered to be impaired are included in this stage, the allowance for credit losses captures the lifetime expected credit losses, similar to Stage 2.

(iii) Forborne and Modified Loans

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower’s financial difficulties, rather than taking possession or otherwise enforcing collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower’s present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group’s policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 12-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- At least a 12-month probation period has passed.
- Three consecutive payments under the new repayment schedule have been made.
- The borrower has no past dues under any obligation to the Group.
- All the terms and conditions agreed to as part of the restructuring have been met.

If modifications are substantial, the loan is derecognised, as explained above.

(iv) Credit-impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at fair value through other comprehensive income, and finance lease receivables are credit-impaired (referred to as “Stage 3 financial assets”). A financial asset is “credit-impaired” when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or past due event.
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for a security because of financial difficulties.

(v) Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to

FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as derivatives and non-financial assets, namely land and building and building improvements, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in these notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to “net recovery (impairment loss) on financial assets”.

(vi) Debt Instruments at Fair Value through Other Comprehensive Income

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the income statement. The accumulated loss recognised in OCI is recycled to the income statement upon derecognition of the assets.

(vii) Collateral Repossessed

The Group occasionally acquires properties in settlement of loans and advances. Upon initial recognition, those assets are measured at fair value as approved by the regulatory authorities. Subsequently, these properties are measured at the lower of carrying value or net realisable value.

Upon sale of repossessed assets, any gain or loss realised is recognised in the consolidated income statement under “other operating income” or “other operating expenses”. Gains resulting from the sale of repossessed assets are transferred to “reserves appropriated for capital increase” in the following financial year.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring and non-recurring fair value measurement. At each

reporting date, Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within "property, equipment and right-of-use assets" on the consolidated financial statements and are subject to impairment in line with the Group's policy, as described under "impairment of non-financial assets".

Depreciation charge for right-of-use assets is presented within "depreciation of property, and equipment and right-of-use assets" in the consolidated income statement.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are included under "other liabilities". Moreover, the interest charge on lease liabilities is presented within "interest and similar expenses" in consolidated financial statements.

(iii) Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Other rental expenses (including non-lease components paid to landlords) are presented within other operating expenses.

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

REVENUE RECOGNITION

The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest and Similar Income and Expense

The Effective Interest Rate

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost, interest rate derivatives for which hedge accounting is applied and the related amortisation/recycling effect of hedge accounting. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9 is also recorded using the EIR method. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding profit or loss impact.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

Interest Income and Interest Expense

The effective interest rate of a financial asset or a financial liability is calculated on initial recognition of the financial asset or financial

liability. In determining interest income and expense, the EIR is applied to the gross carrying amount of the financial asset (unless the asset is credit-impaired) or the amortised cost of a financial liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, unless the financial instrument is measured at fair value, with the change in fair value being recognised in the income statement. In those cases, the fees are recognised as revenue or expense when the instrument is initially recognised.

When a financial asset becomes credit-impaired after initial recognition, interest income is determined by applying EIR to the net amortised cost of the instrument. If the financial asset cures and is no longer credit-impaired, the Group reverts back to calculating interest income on a gross basis. Furthermore, for financial assets that were credit-impaired on initial recognition, interest is determined by applying a credit-adjusted EIR to the amortised cost of the instrument. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation

Interest income calculated using the effective interest method presented in the consolidated income statement includes:

- Interest on financial assets at amortised cost.
- Interest on debt instruments measured at fair value through other comprehensive income.
- The effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows in the same period as the hedged cash flows affect interest income/expense.

Interest expense presented in the consolidated income statement includes:

- Financial liabilities measured at amortised cost.
- The effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows in the same period as the hedged cash flows affect interest income/expense.

Interest income and expense on financial instruments measured at fair value through profit or loss are presented under "net trading (loss) gain" in the consolidated income statement.

(ii) Fee and Commission Income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee Income Earned from Services that Are Provided over a Certain Period of Time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan be drawn down, the loan commitment fees are recognised as revenues on expiry.

Fee Income from Providing Transaction Services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying

transaction. Fee or components of fee that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iv) Net trading (loss) gain

Net trading (loss) gain comprises gains and losses related to trading assets and liabilities, non-trading derivatives held for risk management purposes that do not form part of qualifying hedging relationships, financial assets and financial liabilities designated as at fair value through profit or loss, and non-trading assets mandatorily measured at fair value through profit or loss. The line item includes fair value changes, interest, dividends and foreign exchange differences.

banks, deposits with banks and financial institutions, deposits due to banks and financial institutions.

CASH AND CASH EQUIVALENTS

“Cash and cash equivalents” as referred to in the cash flow statement comprises balances with original maturities of a period of three months or less including cash and balances with central

PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

“Property and equipment”, except for land and buildings, is stated at cost adjusted as disclosed in Note 3 excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated income statement as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised since the date of revaluation. Valuations are performed by internal or external valuers with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to the real estate revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Right-of-use assets are presented together with property and equipment in the consolidated statement of financial position – refer to the accounting policy above. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Depreciation is calculated using straight line method to write down the cost of property and equipment to their residual value over their estimated useful lives. Land is not depreciated. The estimated useful lives are as follows:

• Buildings	40-50 years
• Freehold improvements	5-10 years
• Leasehold improvements	5-10 years
• Motor vehicles	5-7 years
• Office equipment and computer hardware	5-10 years
• Office machinery and furniture	10 years

Any item of property and equipment and any significant part initially recognised are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

INTANGIBLE ASSETS

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost adjusted as disclosed in Note 3. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement.

ASSETS OBTAINED IN SETTLEMENT OF DEBT, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets obtained in settlement of debt are measured at the lower of their carrying amount and fair value less costs to sell adjusted as disclosed in Note 3. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, Management has committed to the sale, and the sale is expected to have been completed within one year from the date of classification.

Property, plant and equipment, and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The Group does not have intangible assets with indefinite economic life.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

• Computer software	5 years
• Key money	70 years

A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale, and: a) represents a separate major line of business or geographical area of operations; b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or c) is a subsidiary acquired exclusively with a view to resale.

In the consolidated income statement of the reporting period and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the loss of control. The resulting profit or loss (after taxes) is reported separately in the income statement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was

PROVISIONS FOR RISKS AND CHARGES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings both in Lebanon and in other jurisdictions, arising in the ordinary course of the Group's business.

recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Group does not include detailed, case-specific disclosures in its financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The Group provides retirement benefits obligations to its employees under defined benefit plans, which requires contributions to be made to separately administered funds. The cost of providing these benefits is determined using the projected unit credit method which involves making actuarial assumptions about discount rates and future salary increases. Those assumptions are unbiased and mutually compatible.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling excluding net interest, and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

TAXES

Taxes are provided for in accordance with regulations and laws that are effective in the countries where the Group operates.

(i) Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred Tax

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under "personnel expenses" in consolidated statement of income:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Current tax and deferred tax relating to items recognised directly in other comprehensive income are also recognised in other comprehensive income and not in the consolidated income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

DIVIDENDS ON COMMON SHARES

Dividends on common shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when

TREASURY SHARES

Own equity instruments of the Group which are acquired by it or by any of its subsidiaries (Treasury shares) are deducted from equity and accounted for at cost. Consideration paid or received on the purchase sale, issue or cancellation of the Group's own equity instruments is recognised directly in equity. No gain or loss is recognised in the consolidated income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

ASSETS UNDER MANAGEMENT AND ASSETS HELD IN CUSTODY AND UNDER ADMINISTRATION

The Group provides custody and administration services that result in the holding or investing of assets on behalf of its clients. Assets held in trust, under management or under custody or

CUSTOMERS' ACCEPTANCES

Customers' acceptances represent term documentary credits which the Group has committed to settle on behalf of its clients against commitments by those clients (acceptances). The

EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

they are declared and no longer at the discretion of the Bank. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

When the Group holds own equity instruments on behalf of its clients, those holdings are not included in the Group's consolidated statement of financial position.

Contracts on own shares that require physical settlement of a fixed number of own shares for a fixed consideration are classified as equity and added to or deducted from equity. Contracts on own shares that require net cash settlement or provide a choice of settlement are classified as trading instruments and changes in the fair value are reported in the consolidated income statement.

under administration, are not treated as assets of the Group and, accordingly, are recorded as off-balance sheet items.

commitments resulting from these acceptances are stated as a liability in the statement of financial position for the same amount.

convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.6. MATERIAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures,

and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

JUDGMENTS

In the process of applying the Group's accounting policies, Management has made the following judgments, apart from those involving estimations, which have the most significant effect in the amounts recognised in the consolidated financial statements:

Going Concern

Notwithstanding the events and conditions disclosed in Note 1, these consolidated financial statements have been prepared based on the going concern assumption. The Board of Directors believe that they are taking all the measures available to maintain the viability of the Group and continue its operations in the current business and economic environment.

Business Model

In determining whether its business model for managing financial assets is to hold assets in order to collect contractual cash flows, the Group considers:

- Management's stated policies and objectives for the portfolio and the operation of those policies in practice.
- How management evaluates the performance of the portfolio.
- Whether Management's strategy focuses on earning contractual interest revenues.
- The degree of frequency of any expected asset sales.
- The reason for any asset sales, and
- Whether assets that are sold are held for an extended period of time relative to their contractual maturity.

Contractual Cash Flows of Financial Assets

The Group exercises judgment in determining whether the contractual terms of financial assets it originates or acquires give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding, and so may qualify for amortised cost measurement. In making the assessment, the Group considers all contractual terms, including any prepayment terms or provisions to extend the maturity of the assets, terms that change the amount and timing of cash flows and whether the contractual terms contain leverage.

Deferred Tax Assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Determining the Lease Term of Contracts with Renewal and Termination Options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain to exercise or not the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. a change in business strategy).

The Group included the renewal period as part of the lease term for leases of head offices and branches due to the significance of these assets to its operations. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Impairment losses on financial assets

In determining the expected credit losses, the Group makes the following judgments:

• Significant increase in credit risk (SICR)

In assessing whether a significant increase in credit risk (SICR) has occurred for an exposure since initial recognition, the Group considers both quantitative and qualitative information and analysis. In doing so, the Group makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Group has determined as appropriate include the 30-day backstop, movement in PD and other qualitative factors, such as moving a customer/facility to the watch list, or the account becoming forborne.

• Multiple economic scenarios

The Group in its measurement of ECLs makes judgements about the type and number of macroeconomic scenarios in order to reflect the Group's exposure to credit risk. For Lebanon, given the prevailing high economic and financial uncertainties and challenges, as disclosed in Note 1, ECLs estimation remains subject to high volatility (including from changes to macroeconomic variable forecasts) especially in view of the prolonged crisis. It is not practical at this stage to determine and provide plausible macroeconomic scenarios before the full resolution of these prevailing high uncertainties. For the Group's various countries of operation, excluding Lebanon, the impact on ECL is not material.

• Definition of Default

Significant judgement exists with regards to when an asset is considered to have defaulted, and the resulting definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated. See Note 53.

• Other judgements in the determination of ECL include: Development of ECL models, including the segmentation of products, the various formulas and the choice of inputs, for example which inputs are relevant for the particular exposures in particular regions.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair Value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, estimation is required to establish fair values. The judgments and estimates include considerations of liquidity and model inputs such as credit risk (both own and counterparty) funding value adjustments, correlation and volatility.

Impairment Losses on Financial Assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs. Components of the ECL models that are considered accounting judgments and estimates include:

- The Group's internal credit rating model.
- The Group's criteria for assessing if there has been a significant increase in credit risk.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and economic inputs and their impact on ECL calculation.
- Selection of forward-looking macroeconomic scenarios and their probability of occurrence, to derive the ECL models.

As per internal policy, the Group regularly reviews its models in the context of actual loss experience and adjusts when necessary.

Impairment of Goodwill

Management's judgment is required in estimating the future cash flows of the CGUs. These values are sensitive to cash flows projected for the periods for which detailed forecasts are available, and to assumptions regarding the term sustainable pattern of cash flows thereafter. While the acceptable range within which underlying assumptions can be applied is governed by the requirement for resulting forecasts to be compared with actual performance and verifiable economic data in future years, the cash flow forecasts necessarily and appropriately reflect Management's view of future business prospects.

Impairment of Non-financial Assets

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model, as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Revaluation of Property and Equipment

The Group carries its land and buildings and building improvements at fair value, with changes in fair value being recognised in other comprehensive income. These are valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The Group engaged an independent valuation specialist to assess fair values for property and equipment. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 26.

Pensions Obligation

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are highly sensitive to changes in these assumptions.

Leases – Estimating the Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The

IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's

functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3.0. RESTATEMENT OF COMPARATIVE AMOUNTS

ADJUSTMENTS TO THE CARRYING AMOUNTS OF TANGIBLE AND INTANGIBLE ASSETS

The Group recorded adjustments to the carrying amounts of tangible and intangible assets of entities operating in Lebanon based on Law 330 dated 4 December 2024 and Ministry of Finance Decision 715 dated 1 August 2025. These adjustments included the following:

- Land and Buildings in Lebanon, included in property and equipment and assets obtained in settlement of debt were remeasured based on a valuation performed by an accredited independent external valuer in US Dollars and then translated into Lebanese Pounds at LBP 89,500, with a corresponding adjustment to accumulated depreciation; and
- Tangible assets other than land and buildings and intangible assets of entities operating in Lebanon were adjusted by

retranslating historical cost and accumulated depreciation at LBP 89,500 to the US Dollar.

The adjustments were applied retrospectively, with corresponding figures as at and for the year ended 31 December 2024 restated and, a third statement of financial position presented as at 1 January 2024. With respect to assets obtained in settlement of debt, the Group adjusted the figures as of 31 December 2024 as required by the Ministry of Finance decisions 340/1 and 715 and Central Bank of Lebanon Intermediate Circular 741 issued on 10 September 2025. The effect of these adjustments on the consolidated financial statements is presented below.

Impact on the consolidated statement of financial position as at 1 January 2024:

	1 January 2024 As previously reported	Restatement	1 January 2024 As restated
	LBP Million	LBP Million	LBP Million
ASSETS			
Property, equipment and right-of-use assets	18,524,365	250,785	18,775,150
Intangible assets	62,834	2,406	65,240
	18,587,199	253,191	18,840,390
LIABILITIES			
Provisions for risks and charges	4,519,041	(24,599)	4,494,442
EQUITY			
Other component of equity	25,149,133	277,790	25,426,923

Impact on the consolidated statement of financial position as at 31 December 2024:

	31 December 2024 As previously reported	Restatement	31 December 2024 As restated
	LBP Million	LBP Million	LBP Million
ASSETS			
Property, equipment and right-of-use assets	22,596,627	2,446,409	25,043,036
Intangible assets	301,397	133,915	435,312
Assets obtained in settlement of debts	98,468	4,921,487	5,019,955
Other assets	5,986,037	12,901	5,998,938
	28,982,529	7,514,712	36,497,241
LIABILITIES			
Provisions for risks and charges	39,067,339	(3,598)	39,063,741
EQUITY			
Other component of equity	72,368,301	7,518,310	79,886,611

Impact on the consolidated statement of comprehensive income for the year ended 31 December 2024:

	31 December 2024 As previously reported LBP Million	Restatement LBP Million	31 December 2024 As restated LBP Million
Income statement			
Other operating expenses	(29,185,616)	21,001	(29,164,615)
Depreciation of property, equipment and right-of-use assets	(740,163)	(31,753)	(771,916)
Amortisation of intangible assets	(114,347)	10,752	(103,595)
	(30,040,126)	-	(30,040,126)
Other comprehensive income			
<i>Revaluation reserve</i>			
Property, equipment and right-of-use assets	1,387,670	2,163,871	3,551,541
Intangible assets	-	142,261	142,261
Assets obtained in settlement of debts	-	4,921,487	4,921,487
Other assets	-	12,901	12,901
	1,387,670	7,240,520	8,628,190

4.0. SEGMENT REPORTING

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segments are evaluated based on information relating to net operating income and financial position. Income taxes and operating expenses are managed on a group basis and are not allocated to operating segments.

Interest income is reported net, since Management monitors net interest income as a performance measure and not the gross income and expense amounts. Net interest income is allocated to the business segment based on the assumption that all positions

are funded or invested via a central funding unit. An internal Funds Transfer Pricing (FTP) mechanism was implemented between operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The assets and liabilities that are reported in the segments are net from inter-segments' assets and liabilities since they constitute the basis of Management's measures of the segments' assets and liabilities and the basis of the allocation of resources between segments.

BUSINESS SEGMENTS

The Group operates in four main business segments which are Corporate and Commercial Banking, Retail and Personal Banking, Treasury and Capital Markets, and Group Functions and Head Office.

Corporate and Commercial Banking

Provides diverse products and services to the corporate and commercial customers including loans, deposits, trade finance, as well as all regular Corporate and Commercial Banking activities.

Retail and Personal Banking

Provides individual customers' deposits and consumer loans, overdrafts, credit cards, and funds transfer facilities, as well as all regular Retail and Private Banking activities.

Treasury and Capital Markets

Provides Treasury services including transactions in money and capital markets for the Group's customers, manages investment and trading transactions (locally and internationally), and manages liquidity, foreign currency and market risks. This segment also offers Investment Banking and brokerage services, and manages the Group's own portfolio of stocks, bonds, and other financial instruments.

Group Functions and Head Office

Consists of capital and strategic investments, exceptional profits and losses, as well as operating results of subsidiaries which offer non-banking services.

The following tables present net operating income information and financial position information.

Net Operating Income Information

	2025				Total
	Corporate and Commercial Banking LBP Million	Retail and Personal Banking LBP Million	Treasury and Capital Markets LBP Million	Group Functions and Head Office LBP Million	LBP Million
Net interest income	3,176,272	6,358,050	8,676,729	332,129	18,543,180
Non-interest income					
Net fee and commission	4,126,861	5,676,055	436,881	432,736	10,672,533
Financial operations	-	1,792,308	10,244,289	56,927	12,093,524
Other operating income	567	19,804	2,266	197,039	219,676
Total non-interest income	4,127,428	7,488,167	10,683,436	686,702	22,985,733
Total operating income	7,303,700	13,846,217	19,360,165	1,018,831	41,528,913
Net impairment loss on financial assets	(472,329)	281,829	51,805	-	(138,695)
Net operating income	6,831,371	14,128,046	19,411,970	1,018,831	41,390,218

	2024				Total
	Corporate and Commercial Banking LBP Million	Retail and Personal Banking LBP Million	Treasury and Capital Markets LBP Million	Group Functions and Head Office LBP Million	LBP Million
Net interest income	2,850,491	6,981,843	9,532,681	125,040	19,490,055
Non-interest income					
Net fee and commission	3,741,873	5,400,384	462,050	372,808	9,977,115
Financial operations	-	1,276,970	8,894,540	263,123	10,434,633
Other operating income	14,088	49,423	166,994	611,628	842,133
Total non-interest income	3,755,961	6,726,777	9,523,584	1,247,559	21,253,881
Total operating income	6,606,452	13,708,620	19,056,265	1,372,599	40,743,936
Net recovery on financial assets	1,283,791	556,369	(666,687)	-	1,173,473
Net operating income	7,890,243	14,264,989	18,389,578	1,372,599	41,917,409

Financial Position Information

	2025				Total
	Corporate and Commercial Banking LBP Million	Retail and Personal Banking LBP Million	Treasury and Capital Markets LBP Million	Group Functions and Head Office LBP Million	LBP Million
Total assets	40,825,410	177,493,327	1,053,815,195	81,301,500	1,353,435,432
Total liabilities	116,326,997	1,062,563,846	13,604,185	57,239,970	1,249,734,998

	2024 Restated				Total
	Corporate and Commercial Banking LBP Million	Retail and Personal Banking LBP Million	Treasury and Capital Markets LBP Million	Group Functions and Head Office LBP Million	LBP Million
Total assets	33,830,617	127,162,830	1,088,461,111	48,958,035	1,298,412,593
Total liabilities	112,861,627	1,019,861,824	22,460,403	68,972,349	1,224,156,203

Capital expenditures amounting to LBP 779,140 million for the year 2025 (2024: LBP 296,729 million) are allocated to the Group Functions and Head Office business segment.

Interest and similar income from exposure to the Central Bank of Lebanon and Lebanese sovereign amounted to LBP 6,798,905 million for the year 2025 (2024: LBP 8,086,490 million) arising from time deposits with the Central Bank of Lebanon and financial

instruments held by the Group. The breakdown of interest and similar income from exposure to the Central Bank of Lebanon and Lebanese sovereign is as follows:

	2025 LBP Million	2024 LBP Million
Interest and similar income		
Central Bank of Lebanon	6,659,090	7,945,979
Lebanese sovereign	139,815	140,511
	6,798,905	8,086,490

GEOGRAPHICAL SEGMENTS

The Group operates in three geographical segments: Lebanon, Middle East and North Africa, (MENA) and Europe. As such, it is subject to different risks and returns. The following tables show the distribution of the Group's net external operating income, assets

and liabilities allocated based on the location of the subsidiaries reporting the results or advancing the funds. Transactions between segments are carried at market prices and within pure trading conditions.

Net Operating Income Information

	2025			
	Lebanon LBP Million	MENA LBP Million	Europe LBP Million	Total LBP Million
Net interest income	12,308,656	790,801	5,443,723	18,543,180
Non-interest income				
Net fee and commission	6,219,574	599,561	3,853,398	10,672,533
Financial operations	9,607,689	(41,149)	2,526,984	12,093,524
Other operating income	153,585	2,274	63,817	219,676
Total non-interest income	15,980,848	560,686	6,444,199	22,985,733
Total external operating income	28,289,504	1,351,487	11,887,922	41,528,913
Net impairment loss on financial assets	(158,337)	(152,143)	171,785	(138,695)
Net external operating income	28,131,167	1,199,344	12,059,707	41,390,218

	2024			
	Lebanon LBP Million	MENA LBP Million	Europe LBP Million	Total LBP Million
Net interest income	12,807,587	422,595	6,259,873	19,490,055
Non-interest income				
Net fee and commission	5,932,712	530,792	3,513,611	9,977,115
Financial operations	8,352,837	200,700	1,881,096	10,434,633
Other operating income	831,275	3,064	7,794	842,133
Total non-interest income	15,116,824	734,556	5,402,501	21,253,881
Total external operating income	27,924,411	1,157,151	11,662,374	40,743,936
Net recovery on financial assets	933,892	(55,426)	295,007	1,173,473
Net external operating income	28,858,303	1,101,725	11,957,381	41,917,409

Financial Position Information

	2025			
	Lebanon LBP Million	MENA LBP Million	Europe LBP Million	Total LBP Million
Capital expenditures	336,583	38,191	404,366	779,140
Total assets	1,055,777,267	20,683,551	276,974,614	1,353,435,432
Total liabilities	1,017,868,368	8,228,801	223,637,829	1,249,734,998

	2024 Restated			
	Lebanon LBP Million	MENA LBP Million	Europe LBP Million	Total LBP Million
Capital expenditures	125,750	4,031	166,948	296,729
Total assets	1,048,311,291	12,904,573	237,196,729	1,298,412,593
Total liabilities	1,028,179,308	5,370,055	190,606,840	1,224,156,203

Segment reporting assets and liabilities as at 31 December 2024 do not include those held for sale and amounting to LBP 200,628,451 million and LBP 181,916,730 million respectively.

5.0. INTEREST AND SIMILAR INCOME

	2025 LBP Million	2024 LBP Million
Balances with central banks	6,236,646	8,084,466
Due from banks and financial institutions	5,900,576	6,732,682
Loans and advances to customers at amortised cost	4,890,231	5,303,822
Loans and advances to related parties at amortised cost	2,484	12,528
Financial assets classified at amortised cost	2,433,757	2,025,967
Debt instruments classified at fair value through other comprehensive income	1,048,694	382,939
	20,512,388	22,542,404

Withholding taxes amounting to LBP 511,852 million were deducted from interest and similar income (2024: LBP 556,945 million).

The components of interest and similar income from loans and advances to customers at amortised cost are detailed as follows:

	2025 LBP Million	2024 LBP Million
Corporate and SME	2,551,203	2,549,398
Retail and Personal Banking	2,339,028	2,754,424
	4,890,231	5,303,822

The components of interest and similar income from financial assets classified at amortised cost are detailed as follows:

	2025 LBP Million	2024 LBP Million
Lebanese sovereign and Central Bank of Lebanon	1,066,747	1,106,831
Other sovereign	833,344	775,675
Private sector and other securities	533,666	143,461
	2,433,757	2,025,967

The components of interest and similar income from financial assets classified at fair value through other comprehensive income are detailed as follows:

	2025 LBP Million	2024 LBP Million
Other sovereign	71,088	10,275
Private sector and other securities	977,606	372,664
	1,048,694	382,939

6.0. INTEREST AND SIMILAR EXPENSE

	2025 LBP Million	2024 LBP Million
Due to central banks	43,542	45,247
Due to banks and financial institutions	11,335	29,745
Customers' deposits	1,380,927	1,968,094
Deposits from related parties	3,504	4,310
Debt issued and other borrowed funds	521,733	996,445
Lease liabilities	8,167	8,508
	1,969,208	3,052,349

The components of interest and similar expense from customers' deposits are detailed as follows:

	2025 LBP Million	2024 LBP Million
Corporate and SME	640,908	836,143
Retail and Personal Banking	721,816	1,021,910
Public Sector	18,203	110,041
	1,380,927	1,968,094

7.0. FEE AND COMMISSION INCOME

	2025 LBP Million	2024 LBP Million
Commercial banking income	5,428,731	5,471,045
Brokerage and custody income	3,283,696	3,294,078
Electronic banking	2,238,376	1,194,964
Trade finance income	603,904	587,051
Trust and fiduciary activities	330,714	262,060
Credit-related fees and commissions	284,730	274,594
Corporate finance fees	4,922	-
Other fees and commissions	405,120	213,342
	12,580,193	11,297,134

8.0. FEE AND COMMISSION EXPENSE

	2025 LBP Million	2024 LBP Million
Electronic banking	1,187,691	607,464
Brokerage and custody fees	568,451	516,910
Commercial Banking expenses	122,930	97,771
Other fees and commissions	28,588	97,874
	1,907,660	1,320,019

9.0. NET TRADING (LOSS) GAIN

	2025 LBP Million	2024 LBP Million
Gain on financial instruments at fair value through profit or loss	5,261,740	1,014,290
Foreign exchange	1,006,609	1,114,520
Derivatives	1,289,484	752,211
(Loss) gain resulting from exchange of foreign currencies (*)	(12,646,979)	312,092
Gain from devaluation of official exchange rates (**)	-	7,042,618
Dividends	1,817	2,361
	(5,087,329)	10,238,092

Foreign exchange includes gains and losses from spot and forward contracts and other currency derivatives, as well as the result of the revaluation of the daily open foreign currency positions.

Interest income from debt instruments at fair value through profit or loss is amounted to LBP 123,307 million during 2025 (2024: nil).

(*) During 2025 and 2024, and in order to manage its USD/LBP FX position, the Group engaged in the following transactions:

- During 2025, the Central bank of Lebanon approved the purchase of USD 191 million at an exchange rate LBP 15,000 to the US Dollar resulting in a loss from exchange of foreign currencies amounting to LBP 14,229,500 million (Note 35).

- During 2025, the Bank purchased from its customers local foreign currencies at a rate of LBP 15,000 to the US Dollar, which resulted in a gain of LBP 1,582,521 million recorded in the consolidated income statement (2024: LBP 312,092 million).

(**) In January 2024, the Central Bank of Lebanon changed the official published exchange rate from LBP 15,000 to LBP 89,500 to the US Dollar which resulted in a gain of LBP 7,042,618 million recorded in the consolidated income statement.

10. NET GAIN ON DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

	2025 LBP Million	2024 LBP Million
Lebanese sovereign and Central Bank of Lebanon		
Eurobonds	-	199,690
Other sovereign		
Governmental bills	-	1,791
Private sector		
Gain on settlement of debt issued and other borrowed funds (Note 35)	17,098,650	-
	17,098,650	201,481

11. OTHER OPERATING INCOME

	2025 LBP Million	2024 LBP Million
Release of provision for risks and charges (Note 37)	-	4,166
Release of provision for end of service indemnities (Note 37)	-	14,694
Gain arising from acquisition of a subsidiary (Note 25)	-	507,343
Other income	219,676	315,930
	219,676	842,133

12. NET IMPAIRMENT LOSS (RECOVERY) ON FINANCIAL ASSETS

	2025 LBP Million	2024 LBP Million
Re-measurements:		
Due from banks and financial institutions	(53,940)	(144,083)
Loans and advances to customers at amortised cost	1,703,938	2,256,551
Financial assets at amortised cost	(638)	810,015
Financial assets at fair value through comprehensive income	2,647	4,923
Financial guarantees and other commitments	30,266	53,735
	1,682,273	2,981,141
Recoveries:		
Loans and advances to customers at amortised cost	(1,296,156)	(4,327,641)
Financial guarantees and other commitments	(1,038)	-
	(1,297,194)	(4,327,641)
Net direct (recoveries) losses	(246,384)	173,027
	138,695	(1,173,473)

During 2024, the Group acquired Lebanese Government Eurobonds using a multiplier factor as these transactions were settled in foreign currencies subject to de-facto capital controls. Part of these transactions occurred with existing debtors that simultaneously used the foreign currencies subject to de-facto capital controls to settle part of their outstanding debt. As a result, for the year ended 31 December 2024, the Group recognized an impairment loss on

financial assets at amortized cost amounting to LBP 3,958,876 million and recoveries on loans and advances to customers at amortized cost amounting to LBP 2,727,850 million. These transactions were queried by the regulator, whereby the latter has instructed the Bank to discontinue entering into such transactions going forward. No penalties or sanctions were imposed on the Bank as a result of these transactions.

13. PERSONNEL EXPENSES

	2025 LBP Million	2024 LBP Million
Salaries and related benefits	7,792,683	7,033,661
Social security contributions	1,007,498	842,750
End-of-service benefits (Note 37)	652,308	364,177
Schooling	430,626	369,379
Transportation	171,186	194,460
Medical expenses	74,656	175,576
Training and seminars	35,827	26,442
Food and beverage	13,838	9,341
Others	261,980	129,835
	10,440,602	9,145,621

14. OTHER OPERATING EXPENSES

	2025 LBP Million	2024 Restated LBP Million
Provisions for risks and charges (Note 37)	15,431,325	23,996,044
Professional fees	1,288,596	1,038,313
Information technology	1,055,747	849,709
Outsourcing services	475,315	329,100
Advertising fees	340,585	289,249
Electricity, water and fuel	331,756	426,538
Maintenance	292,039	223,710
Board of Directors' fees	290,863	165,236
Insurance premiums	277,295	287,194
Subscription to communication services	267,424	223,006
Taxes and similar disbursements	222,869	194,884
Facilities services	177,887	173,568
Travel and related expenses	158,950	125,733
Rental charges under operating leases	128,774	125,813
Telephone and mail	102,972	92,009
Premium for guarantee of deposits	101,762	80,640
Documentation and miscellaneous subscriptions	82,511	57,728
Electronic cards expenses	51,938	70,101
Regulatory charges	45,089	56,967
Hospitalisation and medical care	32,009	80,438
Donations and social aids	30,224	13,700
Office supplies	19,125	19,028
Receptions and gifts	16,423	11,794
Others	362,454	276,115
	21,583,932	29,206,617

15. INCOME TAX

The components of income tax expense for the year ended 31 December are detailed as follows:

	2025 LBP Million	2024 LBP Million
Current tax		
Current income tax	1,062,575	999,228
Adjustment in respect of current income tax relating to prior years	-	(108,867)
Other taxes treated as income tax	1,760	1,234,191
	1,064,335	2,124,552
Deferred tax		
Relating to origination and reversal of temporary differences	69,176	(69,101)
	1,133,511	2,055,451

The components of operating profit before tax, and the differences between income tax expense reflected in the financial statements and the calculated amounts, are shown in the table below:

	2025 LBP Million	2024 LBP Million
Operating profit before tax from continuing operations	8,335,641	2,731,057
At applicable tax rate	2,102,596	1,177,142
Non-deductible expenses:		
Non-deductible expenses and losses for carry forward	5,382	3,896,580
Non-deductible provisions	756,161	-
Unrealised losses on financial instruments	450	13,178
Other non-deductibles	2,797,450	3,990,637
	3,559,443	7,900,395
Income not subject to tax:		
Revenues previously subject to tax	3,586,403	3,825,516
Carried forward Losses	256,100	928,191
Exempted revenues	570	178
Unrealised gains on financial instruments	-	70,147
Other deductibles	756,391	3,254,277
	4,599,464	8,078,309
Income tax	1,062,575	999,228
Effective income tax rate	12.75%	36.59%

The tax rates applicable to the parent and subsidiaries vary from 10% to 25% in accordance with the income tax laws of the countries where the Group operates. For the purpose of determining the taxable results of the subsidiaries for the year,

the accounting results have been adjusted for tax purposes. Such adjustments include items relating to both income and expense, and are based on the current understanding of the existing tax laws and regulations and tax practices.

The movement of current tax liabilities during the year is as follows:

	2025 LBP Million	2024 LBP Million
Balance at 1 January	1,525,180	269,203
Charges for the year	1,064,335	2,124,552
Transfer to tax regularisation accounts	(487,778)	(242,395)
Other transfers	(1,235,266)	48
	(658,709)	1,882,205
Less taxes paid:		
Current year tax liabilities	-	(1,220)
Prior year tax liabilities	(557,412)	(1,290,775)
	(557,412)	(1,291,995)
Foreign exchange difference	65,557	665,767
Balance at 31 December	374,616	1,525,180

Deferred taxes recorded in the consolidated statement of financial position result from the following items:

2025				
	Deferred Tax Assets LBP Million	Deferred Tax Liabilities LBP Million	Income Statement from Continuing Operations LBP Million	Other Comprehensive Income from Continuing Operations LBP Million
Impairment allowance on financial assets	472,011	-	(63,803)	-
Financial instruments at FVTOCI	(151)	2,045,634	-	(138,820)
Difference in depreciation rates	27,266	1,058	(3,386)	-
Defined benefit obligation	18,242	(243,724)	(1,987)	(39,485)
Revaluation reserve	-	321,900	-	-
Other temporary differences	-	749	-	-
	517,368	2,125,617	(69,176)	(178,305)

2024				
	Deferred Tax Assets LBP Million	Deferred Tax Liabilities LBP Million	Income Statement from Continuing Operations LBP Million	Other Comprehensive Income from Continuing Operations LBP Million
Impairment allowance on financial assets	458,049	-	68,649	-
Financial instruments at FVTOCI	343	1,907,390	-	(1,635,868)
Difference in depreciation rates	30,614	1,058	(458)	-
Defined benefit obligation	18,988	(249,714)	910	(3,977)
Revaluation reserve	-	281,323	-	43,702
Other temporary differences	-	749	-	-
	507,994	1,940,806	69,101	(1,596,143)

UNREMITTED EARNINGS

No deferred tax liability has been recognised in respect of LBP 3,212,359 million (2024: LBP 1,658,573 million) of remitted earnings of subsidiaries because the Group is able to control the timing of the reversal of the temporary difference and it is probable

that such differences will not reverse in the foreseeable future. It is not practicable to estimate the amount of unrecognized deferred tax liabilities in respect of these unremitted earnings.

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the loss for the year attributable to ordinary equity holders of the Bank by the weighted average number of common shares outstanding during the year. The Bank does not have arrangements that might result

in dilutive shares. As such, diluted earnings per share was not separately calculated. The following table shows the income and share data used to calculate earnings per share:

	2025 LBP Million	2024 LBP Million
Profit attributable to equity holders of the Bank from continuing and discontinued operations	7,430,212	212,471
Profit attributable to equity holders of the Bank from continuing operations	7,201,884	675,805
Profit (loss) attributable to equity holders of the Bank from discontinued operations	228,328	(463,334)
Weighted average number of shares outstanding	587,419,312	587,365,833
	LBP Million	LBP Million
Basic and diluted earnings per share	12,649	362
Basic and diluted earnings per share from continuing operations	12,260	1,151
Basic and diluted earnings (loss) per share from discontinued operations	389	(789)

There have been no other transactions involving common shares or potential common shares between the reporting date and the date of authorisation of these consolidated financial statements.

17. CASH AND BALANCES WITH CENTRAL BANKS

	2025 LBP Million	2024 LBP Million
Cash on hand	6,252,115	9,428,092
Central Bank of Lebanon		
Current accounts	370,385,201	318,596,977
Time deposits	434,008,409	514,773,040
Accrued interest	1,592,565	1,837,778
	805,986,175	835,207,795
Other central banks		
Current accounts	73,402,185	36,657,218
	73,402,185	36,657,218
	885,640,475	881,293,105
Less: allowance for expected credit losses (Note 53)	(16,323,933)	(16,228,563)
	869,316,542	865,064,542

During 2019, the Bank and the Central Bank of Lebanon signed a netting agreement for specified financial assets and liabilities which were all settled on a net basis in prior years.

As at 31 December 2025, financial assets under balances with central banks and financial liabilities under due to central banks that were settled on a net basis amounted to LBP 9,254,889 million (2024: the same) (Note 31).

Obligatory Reserves

- In accordance with the regulations of the Central Bank of Lebanon, banks operating in Lebanon are required to deposit with the Central Bank of Lebanon an obligatory reserve

calculated on the basis of 25% of sight commitments and 15% of term commitments denominated in Lebanese Pounds. This is not applicable for investment banks which are exempted from obligatory reserve requirements on commitments denominated in Lebanese Pounds. Additionally, all banks operating in Lebanon are required to deposit with the Central Bank of Lebanon non-interest-bearing placements representing 11% (2024:14%) of total deposits in foreign currencies regardless of nature.

- Subsidiary banks operating in foreign countries are also subject to obligatory reserve requirements determined based on the banking regulations of the countries in which they operate.

The following table summarises the Group's placements in central banks available against the obligatory reserves as of 31 December:

	2025			2024		
	Lebanese Pounds LBP Million	Foreign Currencies LBP Million	Total LBP Million	Lebanese Pounds LBP Million	Foreign Currencies LBP Million	Total LBP Million
Central Bank of Lebanon						
Current accounts	1,695,757	-	1,695,757	1,365,105	-	1,365,105
Time deposits	-	90,852,569	90,852,569	-	121,048,675	121,048,675
	1,695,757	90,852,569	92,548,326	1,365,105	121,048,675	122,413,780
Other central banks						
Current accounts	-	992,504	992,504	-	911,635	911,635
	-	992,504	992,504	-	911,635	911,635
	1,695,757	91,845,073	93,540,830	1,365,105	121,960,310	123,325,415

18. DUE FROM BANKS AND FINANCIAL INSTITUTIONS

	2025 LBP Million	2024 LBP Million
Current accounts	59,968,326	69,628,806
Time deposits	90,791,611	78,835,861
Checks for collection	3,194	8,709
Accrued interest	1,538,319	1,580,162
	152,301,450	150,053,538
Less: allowance for expected credit losses (Note 53)	(21,162)	(74,894)
	152,280,288	149,978,644

As of 31 December 2025, due from banks and financial institutions include: (i) collaterals given to foreign banks for trade finance amounting to LBP 1,897,371 million (2024: LBP 2,545,553 million);

(ii) amounts subject to seizure from litigations against the Bank of LBP 379,475 million (2024: LBP 334,404 million); and (iii) other restricted amounts of LBP 1,333,907 million (2024: LBP 1,245,147 million).

19. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for trading and for risk management purposes. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the quantity of

the derivative contracts' underlying instrument (being an equity instrument, commodity product, reference rate or index, etc.). The notional amounts indicate the volume of transactions outstanding at year-end and are not indicative of either the market risk or credit risk.

FORWARDS

Forward contracts are contractual agreements to buy and sell a specified financial instrument at a specific price and date in the future.

Forwards are customised contracts transacted in the over-the-counter market.

OPTIONS

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or to sell a specific amount

of financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

SWAPS

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in specified underlying index such as an interest rate, foreign currency rate, commodity index or equity index.

In a currency swap, the Group pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross-settled.

The Group has positions in the following type of derivatives:

31 December 2025	Positive Fair Value LBP Million	Negative Fair Value LBP Million	Notional Amount LBP Million
Derivatives held for trading			
Forward foreign exchange contracts	297	116,219	7,598,992
Forward precious metals contracts	150,776	210,815	6,988,615
Currency swaps	66,133	68,857	41,360,456
Precious metals swaps	571,765	14,433	4,319,023
Currency options	131,199	131,199	12,853,588
Precious metals options	326,074	326,074	6,518,866
Credit derivatives	-	-	914,973
Equity options	276,509	276,509	399,206
Total	1,522,753	1,144,106	80,953,719

31 December 2024	Positive Fair Value LBP Million	Negative Fair Value LBP Million	Notional Amount LBP Million
Derivatives held for trading			
Forward foreign exchange contracts	64,218	44,291	11,245,311
Forward precious metals contracts	22,864	-	727,948
Currency swaps	18,119	45,638	8,146,671
Precious metals swaps	5,115	37	278,829
Currency options	292,422	292,422	10,856,643
Credit derivatives	-	-	914,973
Equity options	731,646	731,646	880,712
Total	1,134,384	1,114,034	33,051,087

DERIVATIVE FINANCIAL INSTRUMENTS HELD FOR TRADING PURPOSES

Most of the Group's derivative trading activities relate to deals with customers which are normally offset by transactions with other counterparties. Also included under this heading are any derivatives

entered into for risk management purposes which do not meet the IFRS 9 hedge accounting criteria.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 LBP Million	2024 LBP Million
Lebanese sovereign and Central Bank of Lebanon		
Eurobonds	6,748,358	7,435,603
Other sovereign		
Treasury bills	22,430,279	3,481,835
Eurobonds	23,467	11,637
	22,453,746	3,493,472
Private sector and other securities		
Mutual funds	1,162,270	1,414,939
Equity instruments	103,603	255,328
	1,265,873	1,670,267
	30,467,977	12,599,342

21. LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

	2025 LBP Million	2024 LBP Million
Corporate and SME	60,345,832	48,361,061
Retail and Personal Banking	61,300,082	57,357,172
Public sector	854,415	1,330,855
	122,500,329	107,049,088
Less: allowance for expected credit losses (Note 53)	(20,629,688)	(21,252,689)
	101,870,641	85,796,399

22. LOANS AND ADVANCES TO RELATED PARTIES AT AMORTISED COST

	2025 LBP Million	2024 LBP Million
Corporate and SME	467	25
Retail and Personal Banking	197,788	361,823
	198,255	361,848
Less: allowance for expected credit losses (Note 53)	-	-
	198,255	361,848

23. FINANCIAL ASSETS AT AMORTISED COST

	2025 LBP Million	2024 LBP Million
Lebanese sovereign and Central Bank of Lebanon		
Certificates of deposit	59,478,730	59,479,673
Treasury bills	2,030,722	2,041,628
	61,509,452	61,521,301
Other sovereign		
Treasury bills	29,767,566	29,667,785
Eurobonds	693,618	1,370,684
	30,461,184	31,038,469
Private sector and other securities		
Banks and financial institutions debt instruments	10,923,559	12,573,292
Corporate debt instruments	11,323,246	8,622,102
	22,246,805	21,195,394
	114,217,441	113,755,164
Less: allowance for expected credit losses (Note 53)	(1,183,447)	(1,182,837)
	113,033,994	112,572,327

During 2019, the Bank and the Central Bank of Lebanon signed a netting agreement for specified financial assets and liabilities which were all settled on a net basis in prior years. As at 31 December 2025, financial assets at amortised cost and financial liabilities under due to central banks that were settled on a net basis amounted to LBP 2,638,000 million (2024: the same) (Note 31).

At 31 December 2025, Lebanese Treasury bills of LBP 1,979,141 million were pledged against term borrowings from the Central Bank of Lebanon (2024: the same) (Note 31).

In addition, as at 31 December 2025, the Group, in agreement with credit-linked depositors, settled deposits amounting to USD 300 million in certificates of deposit with the Central Bank of Lebanon denominated in US Dollar having the same nominal amount (2024: the same) (Note 33).

According to the management decision, the Group changed its intention relating to the Eurobonds portfolio amounting to LBP 5,992,510 million from hold to collect to trading. At the transfer effective date, 31 December 2024, the Bank's Eurobonds portfolio was measured at fair value through profit or loss. The purpose is to allow inclusion in the regulatory liquidity ratio.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 LBP Million	2024 LBP Million
Debt instruments		
Other sovereign		
Treasury bills	67,060	67,335
Eurobonds	1,142,280	452,353
	1,209,340	519,688
Private sector and other securities		
Banks and financial institutions debt instruments	17,178,270	17,474,990
Corporate debt instruments	11,479,914	527,366
	28,658,184	18,002,356
Equity instruments		
Quoted	11,485,976	11,200,077
Unquoted	1,034,144	793,941
	12,520,120	11,994,018
	42,387,644	30,516,062

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group classified the following instruments in private sector securities at fair value through other comprehensive income as it holds them for strategic reasons. The tables below list those equity instruments, dividends received, and the changes in fair value net of applicable taxes:

	2025		
	Fair Value LBP Million	Cumulative Changes in Fair Value LBP Million	Dividends LBP Million
Quoted	11,485,976	9,456,179	-
Holcim Liban sal	11,460,061	9,483,354	-
Other equity instruments	25,915	(27,175)	-
Unquoted:	1,034,144	(427,419)	3,677
Banque de l'Habitat sal	221,143	177,957	-
Other equity instruments	813,001	(605,376)	3,677
	12,520,120	9,028,760	3,677
	2024		
	Fair Value LBP Million	Cumulative Changes in Fair Value LBP Million	Dividends LBP Million
Quoted	11,200,077	9,228,192	-
Holcim Liban sal	11,157,643	9,228,192	-
Other equity instruments	42,434	-	-
Unquoted:	793,941	(442,418)	2,480
Banque de l'Habitat sal	15,527	7,296	-
Other equity instruments	778,414	(449,714)	2,480
	11,994,018	8,785,774	2,480

25. INVESTMENTS IN AN ASSOCIATE

ACQUISITION OF CAPITAL B. SOLUTIONS (HOLDING) SAL

During March 2024, the Group's percentage ownership in Capital B. Solutions (Holding) SAL (previously an associate) increased from 45.54% to 100% after Audi Investments Holding SAL (100% owned subsidiary) acquired the remaining 54.46% of the assets

and liabilities of Capital B. Solutions (Holding) SAL through a transfer of shares agreements at LBP 689,413 million. As a result, Capital B. Solutions (Holding) SAL was accounted for under the acquisition method.

ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair values equalled the carrying values of the net identifiable assets of Capital B. Solutions (Holding) SAL at the date of acquisition and were LBP 1,889,687 million.

The impact on the consolidated income statement for the year ended 31 December 2024 from acquisition of Capital B. Solutions (Holding) SAL amounted to LBP 507,343 million and is summarized below:

PRE-ACQUISITION OF CAPITAL B. SOLUTIONS (HOLDING) SAL:

	LBP Million
Carrying value of the pre-acquisition interest in Capital B. Solutions (Holding) SAL under equity method	692,931
Consideration paid	689,413
	<u>1,382,344</u>
Post-acquisition of Capital B. Solutions (Holding) SAL:	
Fair value of net assets acquired	1,889,687
Net gain arising from acquisition of subsidiary (Note 11)	<u>507,343</u>

26. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Land LBP Million	Buildings and Freehold Improvements LBP Million	Leasehold Improvements LBP Million	Motor Vehicles LBP Million	Computer Hardware LBP Million	Office Equipment and Machinery LBP Million	Office Furniture and Machinery LBP Million	Right-of-use LBP Million	Other LBP Million	Total LBP Million
Revaluation:										
At 1 January 2025	5,943,617	19,812,307	339,230	26,836	9,060,619	4,749,124	774,530	548,936		41,255,199
Revaluation recognised in OCI	119,817	581,570	-	-	(29,055)	(98,493)	-	-	-	573,839
Additions	-	38,598	1,868	13,887	154,639	41,498	90,561	-	-	341,051
Disposals	-	(1,848)	-	(7,465)	(59,011)	(70,597)	(48,210)	-	-	(187,131)
Transfers	-	973	-	-	63,348	(64,321)	-	-	-	-
Foreign exchange difference	-	640,945	20,687	623	51,126	25,202	97,419	71,087	-	907,089
At 31 December 2025	6,063,434	21,072,545	361,785	33,881	9,241,666	4,582,413	914,300	620,023	-	42,890,047
Depreciation:										
At 1 January 2025	-	1,940,518	298,905	23,036	8,875,232	4,236,050	383,730	454,692	-	16,212,163
Revaluation recognised in OCI	-	85,498	-	-	(3,559)	(26,935)	-	-	-	55,004
Depreciation during the year	-	593,064	6,558	2,735	108,471	38,807	99,065	-	-	848,700
Transfers	-	4,821	476	1,683	26,856	(33,836)	-	-	-	-
Disposals	-	(940)	-	(7,465)	(38,407)	(86,571)	(67,942)	-	-	(201,325)
Foreign exchange difference	-	159,212	16,762	621	45,622	22,333	41,618	65,298	-	351,466
At 31 December 2025	-	2,782,173	322,701	20,610	9,014,215	4,149,848	456,471	519,990	-	17,266,008
Net book value:										
At 31 December 2025	6,063,434	18,290,372	39,084	13,271	227,451	432,565	457,829	100,033	-	25,624,039

	Land LBP Million	Buildings and Freehold Improvements LBP Million	Leasehold Improvements LBP Million	Motor Vehicles LBP Million	Computer Hardware LBP Million	Office Equipment and Machinery LBP Million	Office Furniture and Machinery LBP Million	Right-of-use LBP Million	Other LBP Million	Total LBP Million
Revaluation:										
At 1 January 2024	4,914,692	13,669,751	113,164	2,722	269,883	128,239	154,823	99,433	-	19,352,707
Adjustments related to prior years	481,997	(357,144)	(55,665)	1,305	1,310,377	668,658	-	-	-	2,049,528
Restated balance at 1 January 2024	5,396,689	13,312,607	57,499	4,027	1,580,260	796,897	154,823	99,433	-	21,402,235
Revaluation recognised in OCI	546,928	2,816,555	-	7,205	6,906,332	3,739,626	-	-	-	14,016,646
Additions	-	19,552	5,405	3,559	16,867	13,224	-	5,850	-	64,457
Disposals	-	(1)	-	-	(29,290)	(152)	(10,183)	-	-	(39,626)
Transfers	-	38,690	-	-	-	-	-	-	-	38,690
Foreign exchange difference	-	3,624,904	276,326	12,045	586,450	199,529	629,890	443,653	-	5,772,797
At 31 December 2024	5,943,617	19,812,307	339,230	26,836	9,060,619	4,749,124	774,530	548,936	-	41,255,199
Depreciation:										
At 1 January 2024	-	212,795	101,809	2,566	253,256	108,498	67,197	82,221	-	828,342
Adjustments related to prior years	-	33,706	(51,327)	1,302	1,222,045	593,017	-	-	-	1,798,743
Restated balance at 1 January 2024	-	246,501	50,482	3,868	1,475,301	701,515	67,197	82,221	-	2,627,085
Revaluation recognised in OCI	-	349,208	-	7,189	6,826,981	3,325,014	-	-	-	10,508,392
Depreciation during the year	-	533,743	6,119	703	53,142	19,146	95,557	-	-	708,410
Transfers	-	42,478	-	-	-	(3,788)	-	-	-	38,690
Disposals	-	(1)	-	-	(29,258)	(136)	(10,183)	-	-	(39,578)
Foreign exchange difference	-	768,589	242,304	11,276	549,066	194,299	231,159	372,471	-	2,369,164
At 31 December 2024	-	1,940,518	298,905	23,036	8,875,232	4,236,050	383,730	454,692	-	16,212,163
Net book value:										
At 31 December 2024	5,943,617	17,871,789	40,325	3,800	185,387	513,074	390,800	94,244	-	25,043,036

Land and buildings and freehold improvements with a carrying amount of LBP 20,243,839 million are subject to seizure and restriction on disposal (2024: LBP 20,022,369 million) (Note 57).

REVALUATION OF LAND AND BUILDINGS

Fair value of the land and buildings and freehold improvements was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of revaluation,

the properties' fair values are based on valuations carried out by independent valuers accredited by the local regulators in the countries in which the properties are situated. Gain from level 3 revaluation of LBP 518,835 million in 2025 was recognised in other comprehensive income (2024: LBP 3,508,254 million).

SIGNIFICANT UNOBSERVABLE VALUATION INPUT

Description of valuation techniques used and key inputs to valuation of land and buildings:

			2025	2024
	Valuation Technique	Significant Unobservable Inputs	Weighted Average(*)	Weighted Average(*)
Land:				
Lebanon	Market comparable method	Price per sqm	LBP 194 million	LBP 190 million
Buildings and freehold improvements:				
Lebanon	Market comparable method	Price per sqm	LBP 180 million	LBP 173 million
Switzerland	Market comparable method	Price per sqm	LBP 1,717 million	LBP 1,499 million

Lebanon

In accordance with the Central Bank of Lebanon's Intermediate Circular 659 issued on 20 January 2023, banks may revalue their properties in US Dollar and translate the revalued amount to LBP at the Sayrafa exchange rate at 31 December. The price above is based on the Sayrafa exchange rate of LBP 89,500 to the US Dollar (2024: the same).

Switzerland

The above prices are based on the official exchange rate of LBP 89,500 to the US Dollar (2024: the same).

Significant increase (decrease) in the estimated price per square meter in isolation would result in significantly higher (lower) fair value on a linear basis.

If land, buildings, and related improvements were measured using the cost model, the carrying amounts as of 31 December would have been as follows:

	2025	
	Land LBP Million	Buildings and Freehold Improvements LBP Million
Cost	64,666	4,021,441
Accumulated depreciation	-	(1,091,459)
Net book value	64,666	2,929,982
	2024	
	Land LBP Million	Buildings and Freehold Improvements LBP Million
Cost	64,666	3,460,247
Accumulated depreciation	-	(840,326)
Net book value	64,666	2,619,921

27. INTANGIBLE ASSETS

	2025 LBP Million	2024 LBP Million
Revaluation:		
At 1 January	8,329,652	376,881
Adjustment related to prior years	-	991,170
Restated balance at 1 January	8,329,652	1,368,051
Revaluation recognised in OCI	(75,632)	5,571,105
Additions	438,089	232,272
Write offs	-	(6,499)
Foreign exchange difference	191,115	1,164,723
At 31 December	8,883,224	8,329,652
Amortisation:		
At 1 January	7,894,340	314,047
Adjustment related to prior years	-	988,764
Restated balance at 1 January	7,894,340	1,302,811
Revaluation recognised in OCI	(27,717)	5,428,844
Amortisation during the year	244,279	125,099
Related to write offs	-	(6,232)
Foreign exchange difference	157,531	1,043,818
At 31 December	8,268,433	7,894,340
Net book value:		
At 31 December	614,791	435,312

28. ASSETS OBTAINED IN SETTLEMENT OF DEBT

The Group occasionally takes possession of assets in settlement of loans and advances. The Group is in the process of selling these assets. Gains or losses on disposal are recognised in the consolidated income statement for the year.

	2025			2024 Restated		
	Financial Instruments LBP Million	Properties LBP Million	Total LBP Million	Financial Instruments LBP Million	Properties LBP Million	Total LBP Million
Revaluation:						
At 1 January	116,689	4,929,241	5,045,930	1,813	103,040	104,853
Revaluation recognised in OCI	4,672	(172,696)	(168,024)	114,876	4,826,201	4,941,077
At 31 December	121,361	4,756,545	4,877,906	116,689	4,929,241	5,045,930
Impairment:						
At 1 January	-	25,975	25,975	-	6,385	6,385
Revaluation recognised in OCI	-	(88)	(88)	-	19,590	19,590
At 31 December	-	25,887	25,887	-	25,975	25,975
Net book value:						
At 31 December	121,361	4,730,658	4,852,019	116,689	4,903,266	5,019,955

Assets in settlement of debts with a carrying amount of LBP 4,852,019 million are subject to seizure and restriction on disposal (2024: LBP 5,019,955 million) (Note 57).

REVALUATION OF ASSETS OBTAINED IN SETTLEMENT OF DEBT

Fair value of the assets acquired in settlement of debt was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of revaluation, the properties'

fair values are based on valuations carried out by independent valuers accredited by the local regulators in the countries in which the properties are situated. Loss from level 3 revaluation of LBP 167,936 million in 2025 was recognised in other comprehensive income (2024: Gain of LBP 4,921,487 million).

SIGNIFICANT UNOBSERVABLE VALUATION INPUT

Description of valuation techniques used and key inputs to valuation of assets acquired in settlement of debt:

	Valuation Technique	Significant Unobservable Inputs	2025	2024 Restated
			Weighted Average(*)	Weighted Average(*)
Properties:				
Lebanon	Market comparable method	Price per sqm	LBP 28 million	LBP 29 million

In accordance with the Central Bank of Lebanon's Intermediate Circular 741 issued on 10 September 2025, banks may revalue their properties in US Dollar and translate the revalued amount to LBP

at the Sayrafa exchange rate at 31 December. The price above is based on the Sayrafa exchange rate of LBP 89,500 to the US Dollar.

29. OTHER ASSETS

	2025 LBP Million	2024 Restated LBP Million
Prepaid charges	623,462	474,662
Tax regularisation account	499,520	273,581
Electronic cards and regularisation accounts	198,876	187,535
Interest and commissions receivable	159,425	44,376
Advances to staff	118,631	64,100
Advances on acquisition of property and equipment	81,488	50,158
Advances on acquisition of intangible assets	26,907	3,975
Management and advisory fees receivable	18,890	25,337
Hospitalisation and medical care under collection	10,533	1,040
Fiscal stamps, bullions and commemorative coins	8,385	9,403
Funds' management fees	3,721	-
Receivables related to non-banking operations	-	259,859
Other debtor accounts	5,062,531	4,604,912
	6,812,369	5,998,938

Other Debtor Accounts

Other debtor accounts as at 31 December 2025 include an amount of LBP 3,377,101 million related to check issued against lawsuits (2024: the same).

30. GOODWILL

	2025 LBP Million	2024 LBP Million
Cost:		
At 1 January	2,906,117	654,797
Foreign exchange difference	396,769	2,251,320
At 31 December	3,302,886	2,906,117
Impairment:		
At 1 January	157,767	157,767
At 31 December	157,767	157,767
Net book value:		
At 31 December	3,145,119	2,748,350

Testing goodwill for impairment involves a significant amount of judgment. This includes the identification of independent CGUs and the allocation of goodwill to these units based on which units are expected to benefit from the acquisition. The allocation is reviewed following business reorganisations. Cash flow projections necessarily

take into account changes in the market in which a business operates including the level of growth, competitive activity, and the impacts of regulatory change. The Group performed its annual impairment test in December 2025 and 2024.

As at 31 December, the carrying amount of goodwill was allocated to the following CGUs:

	2025 LBP Million	2024 LBP Million
Private Banking – Switzerland	3,145,119	2,748,350

This CGU does not carry on its statement of financial position any intangible assets with indefinite lives, other than goodwill.

RECOVERABLE AMOUNT

The Private Banking CGU in Switzerland is a separate legal entity offering Private Banking activities to its customers and is reported mainly under the Retail and Personal Banking business segment and the Europe geographical segment. The recoverable amount of this CGU was determined based on a value in use calculation using cash flow projections from financial budgets approved by

Senior Management covering a five-year period, with a terminal growth rate of 2.00% (2024: 2.00%). The forecast cash flows were discounted at a pre-tax rate of 10.00% (2024: 10.00%). Based on these assumptions, the recoverable amount exceeds the carrying amount including goodwill by LBP 3,322,200 million (2024: LBP 6,890,367 million).

KEY ASSUMPTIONS USED IN VALUE IN USE CALCULATIONS AND SENSITIVITY TO CHANGES IN ASSUMPTIONS

The calculation of value in use for the Private Banking – Switzerland CGU is most sensitive to interest rate margins, cost of equity and the projected growth rates used to extrapolate cash flows beyond the budget period.

reflect the inherent risk of the business being evaluated. Projected terminal growth rates used are in line with, and do not exceed, the projected growth rates in GDP and inflation rate forecasts for the jurisdictional area where the operations reside.

The cost of equity assigned to an individual CGU and used to discount its future cash flows can have a significant effect on its valuation. The cost of equity percentage is generally derived from an appropriate capital asset pricing model, which itself depends on inputs reflecting a number of financial and economic variables including the risk rate in the country concerned, and a premium to

Management performed a sensitivity analysis to assess the changes to key assumptions that could cause the carrying value of the units to exceed their recoverable amount. These are summarised in the table below which shows the details of the sensitivity of the above measures on the Group's CGU's value in use (VIU):

Private Banking – Switzerland		
Interest margins	Interest margins are based on current fixed interest yields.	A decrease of 0.10% causes a decrease in the value in use by 0.19% (LBP 61,701 million) (2024: 0.17% (LBP 51,697 million)).
Cost of equity	The cost of equity is the return required for an investment to meet capital return requirements; it is often used as a capital budgeting threshold for required rate of return.	A decrease of 0.25% causes an increase in the value in use by 1.79% (LBP 577,358 million) (2024: 1.94% (LBP 607,247 million)).
Growth rate	Growth rate is the percentage change of the compounded annualised rate of growth of revenues, earnings, dividends and even including macro concepts such as GDP and the economy as a whole.	A decrease of 0.5% causes a decrease in the value in use by 2.38% (LBP 767,426 million) (2024: 2.59% (LBP 809,932 million)).

The following table presents the sensitivity of each input by showing the change required to individual current assumptions to reduce headroom to nil (breakeven) for the Private Banking CGU in Switzerland:

	2025	2024
Interest margin	(6.98%)	(16.25%)
Cost of equity	1.83%	4.78%
Growth rate	(2.76%)	(8.89%)

31. DUE TO CENTRAL BANKS

	2025 LBP Million	2024 LBP Million
Central Bank of Lebanon		
Subsidised loans	431,040	823,476
Term borrowings under leverage arrangements	1,979,141	1,979,141
Accrued interest	10,448	10,441
Other central banks		
Other borrowings	8,641	10,810
	2,429,270	2,823,868

SUBSIDISED LOANS

As at 31 December 2025, subsidised loans consist of utilised amounts on facilities granted by the Central Bank of Lebanon for the purpose of lending to customers at subsidised rates in accordance

with Decision No. 6116 dated 7 March 1996. Principals are repayable on monthly basis and based on the amounts withdrawn by the customers (2024: the same).

TERM BORROWINGS UNDER LEVERAGE ARRANGEMENTS

As at 31 December 2025, leverage arrangements with the Central Bank of Lebanon represent term borrowings denominated in LBP, bearing a 2% interest rate per annum and having maturities ranging between 2027 and 2028, fully invested in Lebanese Treasury bills earning coupon rates of 7.46%.

The below table summarises the leverage arrangements and related financial assets covered by enforceable netting arrangements (financial collateral) that do not qualify for netting under the requirements of IAS 32.

	2025 LBP Million	2024 LBP Million
Leverage arrangements		
Gross amounts	1,979,141	1,979,141
Financial collateral		
Lebanese Treasury bills (Note 23)	1,979,141	1,979,141

During 2019, the Bank and the Central Bank of Lebanon signed a netting agreement for specified financial assets and financial liabilities which were all settled on a net basis in prior years. As at

31 December 2025, financial assets and financial liabilities that were settled on a net basis amounted to LBP 11,892,889 million (2024: the same) (Notes 17 and 23).

32. DUE TO BANKS AND FINANCIAL INSTITUTIONS

	2025 LBP Million	2024 LBP Million
Current accounts	7,697,519	16,801,605
Term loans	5,645,564	6,734,952
Time deposits	2,322	2,322
Accrued interest	52	48
	13,345,457	23,538,927

Term loans represent loans granted from various supranational entities for the purpose of financing small and medium-size enterprises in the private sector.

program, lenders have agreed on a voluntary basis and at the request of the Bank, to amend certain terms of their loan agreements, amongst others, the repayment schedule and the maturity date. Remaining balance of these loans amounted to LBP 5,645,564 million as at 31 December 2025 (2024: LBP 6,734,952 million) with annual interest rates at 0.00% (2024: the same).

During 2021, in light of the social, economic and banking sector conditions in Lebanon and the impending government reform

33. CUSTOMERS' DEPOSITS

	2025			Total LBP Million
	Corporate and SME LBP Million	Retail and Personal Banking LBP Million	Public Sector LBP Million	
Sight deposits	70,595,643	664,034,521	8,095,764	742,725,928
Time deposits	27,907,798	371,330,403	2,234,772	401,472,973
Margins on LCs and LGs	7,077,350	532,165	-	7,609,515
Other margins	69	-	-	69
Other deposits	3,697	763,812	-	767,509
	105,584,557	1,036,660,901	10,330,536	1,152,575,994
Deposits pledged as collateral				120,318,035

	2024			Total LBP Million
	Corporate and SME LBP Million	Retail and Personal Banking LBP Million	Public Sector LBP Million	
Sight deposits	70,628,739	604,112,659	1,229,074	675,970,472
Time deposits	26,012,505	389,934,407	2,633,594	418,580,506
Margins on LCs and LGs	11,904,273	298,378	-	12,202,651
Other margins	63	-	-	63
Other deposits	7,663	954,904	-	962,567
	108,553,243	995,300,348	3,862,668	1,107,716,259
Deposits pledged as collateral				52,699,484

Credit linked deposits are deposits whereby the principal is settled at maturity according to the full discretion of the Group either in cash or in Lebanese government Eurobonds. In agreement with such depositors, the Bank settled deposits amounting to USD 300 million in certificates of deposits with the Central Bank of Lebanon

denominated in US Dollar and having the same nominal amount as at 31 December 2025 (2024: the same) (Note 23). Remaining credit linked deposits amounted to USD 10 million as at 31 December 2025 (2024 the same).

34. DEPOSITS FROM RELATED PARTIES

	2025		
	Corporate and SME LBP Million	Retail and Personal Banking LBP Million	Total LBP Million
Sight deposits	119,501	748,641	868,142
Time deposits	26,419	434,536	460,955
Other deposits and margin accounts	87,935	1	87,936
	233,855	1,183,178	1,417,033
Deposits pledged as collateral			108,345

	2024		
	Corporate and SME LBP Million	Retail and Personal Banking LBP Million	Total LBP Million
Sight deposits	337,443	1,973,686	2,311,129
Time deposits	30,839	1,092,016	1,122,855
Other deposits and margin accounts	90,399	12,947	103,346
	458,681	3,078,649	3,537,330
Deposits pledged as collateral			269,318

35. DEBT ISSUED AND OTHER BORROWED FUNDS

	2025 LBP Million	2024 LBP Million
USD 116,560,000 due 19 April 2027 – 5.00%	10,428,472	10,428,472
USD 112,500,000 due 11 April 2024 – 6.55% + Telerate 6m	-	10,068,750
USD 37,500,000 due 11 April 2024 – 6.55% + Telerate 6m	-	3,356,250
Accrued interests	101,195	99,746
	10,529,667	23,953,218

The principal of the loans is to be repaid at maturity. Any principal amount of the loans prepaid may not be re-borrowed. Prepayment on the loans is applicable as follows:

	2025 LBP Million	2024 LBP Million
USD 116,560,000 Due 19 April 2027 – 5.00%		
Nominal value	10,432,120	10,432,120
Upfront interest	(3,648)	(3,648)
	10,428,472	10,428,472

Notes issued on 19 April 2022 in exchange of previous notes issued in September 2013. The terms and conditions for the notes are as follows.

- Maturity date: 19 April 2027.
- Upfront interest payment of 10% payable on 19 April 2022, subject to 10% withholding tax.
- Interest payment of 5% p.a., subject to 10% withholding tax, which will start to accrue on 19 April 2022 and will be payable quarterly in arrears.
- Put option at the discretion of the noteholder who may choose to redeem the note at 90.5% of principal amount. The settlement date of the put option is 19 May 2022.
- In connection to the exchange, a cash amount of USD 118.6875

per 1,000 in principal amount is payable, grossed up, on 19 April 2022.

- These notes are not eligible for integration in Tier 2 in the calculation of the capital adequacy ratio.
- Starting the first anniversary of the issue on 19 April 2023 and after giving a redemption notice, the Bank has the option to redeem in whole but not in part the Notes, including accrued and unpaid interest, noting that the principal amount will be redeemed at 92% of face value. If early redemption is not exercised by the Bank, the redemption percentage will increase thereafter incrementally by 2% at each anniversary date.

On 11 May 2022, the General Assembly resolved to approve: (i) granting of a put option in favour of the holders of the 2022

subordinated notes issued on 19 April 2022 pursuant to the resolution of the Ordinary General Assembly meeting held on 12 February 2021, and (ii) all other terms of the 2022 subordinated notes, as per the Board of Directors' proposal and recommendations.

As at 19 May 2022, holders of notes representing approximately USD 230 million had exercised the put option out of USD 347 million outstanding (66% of the total).

USD 112,500,000 Due 11 April 2024 – 6.55% + Telerate 6m and USD 37,500,000 Due 11 April 2024 – 6.55% + Telerate 6m

The principal amount of the loan (and any interest accrued but unpaid) will rank (i) junior in right of payment to the claims of the holders of unsecured and unsubordinated payment obligations of the Bank; (ii) paripassu with the claims of holders of all other subordinated indebtedness of the Bank and (iii) in priority to the claims of shareholders of the Bank, including in respect of cash contributions to capital. Following satisfaction of unsubordinated claims as aforesaid, the lender shall be entitled to receive and to retain any payment or distribution in respect of the loan and all other amounts outstanding on a paripassu basis with other subordinated indebtedness.

If on a particular interest payment date, the Group does not have free profits available to pay the full amount of accrued and unpaid interest then due in respect of the loan, the Group's obligation to pay such interest shall be deferred and become due and payable on the next interest payment date, to the extent of free profits then available, and if not then available, such deferral shall continue until the interest payment date when all interests have been paid in full on final maturity date.

The Group determined that the matters disclosed in Note 1 will have an impact on the retained earnings and reserves leading to a need for recapitalisation, the amount of which has not been determined yet due to the high level of uncertainty of resulting from these matters. This matter is under objection by the lender. However, the Group believes it is in a strong position. As at 31 December 2024, deferred interest payable amounted to LBP 5,432,271 million and was recorded under "Other liabilities" (Note 36).

The Group shall, on any interest payment date or not less than 30 days' prior written notice, have the right to prepay the entire outstanding principal amount of the loan, in whole but not in part, together with accrued but unpaid interest thereon, and all other

amounts payable, and subject to the approval of the Central Bank of Lebanon:

- In the event of a change in Lebanese law or regulation resulting in an increase in the withholding tax rate applicable to payments of interest on the loans to more than 5.00% above the rate in effect on the date of the disbursement. No penalty or premium shall be payable in connection with any prepayment following changes in taxation; or
- Subject to the payment of a premium of 2.00% of the outstanding principal amount of the loans to be prepaid, at the option of the Group, on any interest payment date at any time after the fifth anniversary of the date on which the loan is disbursed.

Given the delays in issuing the needed banking restructuring law as one of the measures in dealing with the existing and persisting crisis in Lebanon, and the fact this subordinated debt matured on 11 April 2024, the Group communicated with the Central Bank of Lebanon the urgency in determining how to handle maturing subordinated debt. On 15 April 2024 the Central Bank of Lebanon communicated to the Group that the Central Council of the Central Bank of Lebanon finds not permissible any payment on the subordinated debt before a banking restructuring law is issued, which is being challenged by the lender. Despite the directive of the Central Council of the Central Bank, the lender went ahead and filed a lawsuit against the Group on 2 August 2024. The Group filed its defense on the matter on 27 September 2024. A full settlement agreement was signed and executed on 10 April 2025. The approval of the Central Bank of Lebanon on the settlement agreement was obtained on 14 March 2025. On 14 April 2025, the Group executed the settlement agreement with the lender and accordingly the claims were dismissed and an amount of USD 191 million equivalent to LBP 17,098,650 million was written-back and recorded under "Net gain on derecognition of financial instruments at amortised cost" (Note 10) out of which an amount of LBP 4,058,879 million provided for under "Provision for risks and charges". The Central Bank of Lebanon approved the simultaneous purchase of USD 191 million at an exchange rate of LBP 15,000 to the US Dollar resulting in a loss from exchange of foreign currencies amounting to LBP 14,229,500 million (Note 9).

Cash and Non-cash Changes in Debt Issued and Other Borrowed Funds

Changes in debt issued and other borrowed funds during the year were as follows:

	2025 LBP Million	2024 LBP Million
Balance at 1 January	23,953,218	4,063,130
Interest expense	521,733	996,445
Interest paid during the year	(520,284)	(525,053)
Write off	(7,607,500)	-
Paid during the year	(5,817,500)	-
Foreign exchange	-	19,418,696
Balance at 31 December	10,529,667	23,953,218

36. OTHER LIABILITIES

	2025 LBP Million	2024 LBP Million
Deferred interest payable (Note 35)	-	5,432,271
Accrued expenses	2,682,838	2,058,416
Operational taxes	584,279	563,971
Lease liabilities	496,575	454,495
Electronic cards and regularisation accounts	373,412	284,517
Social security dues	108,250	109,805
Miscellaneous suppliers and other payables	75,327	43,384
Employee accrued benefits	74,781	108,367
Bankers' drafts	5,216,718	6,265,233
Other credit balances	3,959,654	2,986,921
	13,571,834	18,307,380

Bankers' drafts as at 31 December 2025 and 2024 consist of checks paid to depositors that have not yet been withdrawn from the Central Bank of Lebanon or other Lebanese banks.

Set out below are the carrying amounts of lease liabilities and the movements during the year ended 31 December:

	2025 LBP Million	2024 LBP Million
Balance at 1 January	454,495	102,371
Additions	93,360	-
Interest expense	8,167	8,508
Termination	(40,270)	-
Paid during the year	(72,507)	(132,104)
Foreign exchange	53,330	475,720
Balance at 31 December	496,575	454,495

37. PROVISIONS FOR RISKS AND CHARGES

	2025 LBP Million	2024 Restated LBP Million
Provisions for risks and charges (a)	47,593,521	35,070,323
Provisions for ECL on financial guarantees and commitments (Note 53)	316,682	283,457
End-of-service benefits (b)	3,519,568	3,709,961
	51,429,771	39,063,741

A) PROVISIONS FOR RISKS AND CHARGES

	2025 LBP Million	2024 LBP Million
Provision for legal claims	385,805	296,198
Other provisions	47,207,716	34,774,125
	47,593,521	35,070,323

	2025 LBP Million	2024 LBP Million
Balance at 1 January	35,070,323	3,038,218
Add:		
Charge reflected under operating expenses (Note 14)	15,431,325	23,996,044
Less:		
Paid during the year	(299,968)	(637,819)
Net provisions recoveries (Note 11)	-	(4,166)
Write back (Note 35)	(4,058,879)	-
Transfer from current tax liabilities	1,235,266	-
Foreign exchange difference	215,454	8,678,046
Balance at 31 December	47,593,521	35,070,323

B) END-OF-SERVICE BENEFITS

Entities operating in Lebanon have two defined benefit plans covering all their employees. The first requires contributions to be made to the National Social Security Fund whereby the entitlement to and level of these benefits depend on the employees' length of service, as well as on the employees' salaries and contributions paid to the fund among other requirements. Under the second plan, no contributions are required to be made, however a fixed end-of-service lump sum amount should be paid for long service employees.

The entitlement to and level of these end-of-service benefits provided depend on the employees' length of service, salaries and other requirements outlined in the Workers' Collective Agreement. The first plan described above also applies to non-banking entities operating in Lebanon. Defined benefit plans for employees at foreign subsidiaries and branches are set in line with the laws and regulations of the respective countries in which these subsidiaries are located.

The movement of provision for staff retirement benefit obligations is as follows:

	2025		Total LBP Million
	Lebanon LBP Million	Foreign Countries LBP Million	
Balance at 1 January	2,486,231	1,223,730	3,709,961
Charge for the year (Note 13)	363,852	288,456	652,308
Paid during the year	(404,556)	(255,922)	(660,478)
Actuarial gain on obligation – experience	4,067	(1,307)	2,760
Actuarial loss on obligation – economic assumptions	(69,991)	(269,109)	(339,100)
Foreign exchange difference	-	154,117	154,117
Balance at 31 December	2,379,603	1,139,965	3,519,568

	2024		Total LBP Million
	Lebanon LBP Million	Foreign Countries LBP Million	
Balance at 1 January	1,236,131	179,826	1,415,957
Charge for the year (Note 13)	199,232	164,945	364,177
Paid during the year	(318,488)	(187,898)	(506,386)
Actuarial gain on obligation – experience	1,197,587	(10,675)	1,186,912
Actuarial loss on obligation – economic assumptions	163,225	(8,427)	154,798
Actuarial loss on obligation – demographic assumptions	23,238	269,609	292,847
Provision no more required (Note 11)	(14,694)	-	(14,694)
Foreign exchange difference	-	816,350	816,350
Balance at 31 December	2,486,231	1,223,730	3,709,961

The charge for the year is broken down as follows:

	2025 LBP Million	2024 LBP Million
Current service cost	371,163	229,808
Interest on obligation	281,145	134,369
	652,308	364,177

The key assumptions used in the calculation of retirement benefit obligation are as follows:

	Lebanon		Switzerland	
	2025	2024	2025	2024
Economic assumptions				
Discount rate (p.a.)	14.00%	14.00%	1.35%	0.95%
Inflation rate (p.a.)	None	None	0.90%	1.10%
Salary increase (p.a.)				
Coming years:				
Employees	4.00%	5.00%	1.35%	1.35%
Senior Managers	4.00%	5.00%	1.35%	1.35%
Thereafter:				
Employees	None	None	1.35%	1.35%
Senior Managers	None	None	1.35%	1.35%
Expected annual rate of return on NSSF contributions	3.00%	3.00%	None	None
Expected future pension increases	None	None	1.35%	1.50%
Interest crediting rate	None	None	None	None
Treatment of bonus	None	None	None	None
Demographic assumptions				
Retirement age	Earliest of age 64 or completion of 20 contribution years	Earliest of age 64 or completion of 20 contribution years	Age 65 for men and 64 for women	Age 65 for men and 64 for women
Pre-termination mortality	None	None	BVG 2020 + 1.5%	BVG 2020 + 1.5%
Pre-termination turnover rates (age related with average of)	3.50% – 25.00%	3.50% – 25.00%	4.20% – 25.20%	4.20% – 25.20%

A quantitative sensitivity analysis for significant assumptions is shown as below:

	Discount Rate		Future Salary Increase	
	% Increase LBP Million	% Decrease LBP Million	% Increase LBP Million	% Decrease LBP Million
Impact on net defined benefit obligation – 2025	(150,572)	172,025	948	(924)
Impact on net defined benefit obligation – 2024	(153,131)	175,288	2,985	(2,924)

The sensitivity analysis above was determined based on a method that extrapolates the impact on the defined benefit obligation as a result of 25 basis point changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on

a change in significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

38. SHARE CAPITAL AND ISSUE PREMIUM

SHARE CAPITAL

The share capital of Bank Audi sal as at 31 December is as follows:

	2025			2024		
	Number of Shares	Share Capital LBP Million	Issue Premium LBP Million	Number of Shares	Share Capital LBP Million	Issue Premium LBP Million
Common shares	588,538,215	982,859	902,290	588,538,215	982,859	902,290
Preferred shares series "H"	750,000	1,252	111,811	750,000	1,252	111,811
Preferred shares series "I"	2,500,000	4,175	372,700	2,500,000	4,175	372,700
Preferred shares series "J"	2,750,000	4,593	409,969	2,750,000	4,593	409,969
	6,000,000	10,020	894,480	6,000,000	10,020	894,480
	594,538,215	992,879	1,796,770	594,538,215	992,879	1,796,770

LISTING OF SHARES

	2025		2024	
	Stock Exchange	Number of Shares	Stock Exchange	Number of Shares
Ordinary shares	Beirut	468,898,454	Beirut	468,898,454
Global depository receipts	Beirut	119,639,761	Beirut	119,639,761
Preferred shares	Beirut	6,000,000	Beirut	6,000,000
		594,538,215		594,538,215

The Board of Directors has approved the delisting of the global depository receipts from the London SEAQ on 29 July 2020. The delisting became effective on 6 November 2020.

PREFERRED SHARES

1. Pursuant to the resolution of the Extraordinary General Assembly of shareholders held on 15 April 2013, the Bank issued series "H" preferred shares under the following terms:

Preferred shares series "H"

- Number of shares:	750,000.
- Share's issue price:	USD 100.
- Share's nominal value:	LBP 1,299 (later became LBP 1,670 upon increasing the nominal value).
- Issue premium:	Calculated in USD as the difference between USD 100 and the counter value of the par value per share based on the exchange rate at the underwriting dates.
- Benefits:	Annual non-cumulative dividends of USD 4.5 per share for the year 2013, and USD 6.5 for each subsequent year.
- Repurchase right:	The Bank has the right to repurchase the shares in 7 years after issuance, as well as to call them off by that date.

The Extraordinary General Assembly of shareholders held on 21 June 2013 validated and ratified the capital increases according to the aforementioned terms for preferred shares series "H".

2. Pursuant to the resolution of the Extraordinary General Assembly of shareholders held on 29 November 2016, the Bank issued preferred shares series "I" under the following terms:

Preferred shares series "I"

- Number of shares:	2,500,000.
- Share's issue price:	USD 100.
- Share's nominal value:	LBP 1,656 (later became LBP 1,670 upon increasing the nominal value).
- Issue premium:	Calculated in USD as the difference between USD 100 and the counter value of the par value per share based on the exchange rate at the underwriting dates.
- Benefits:	Annual non-cumulative dividends of USD 3 per share for the year 2016, and USD 7 for each subsequent year.
- Repurchase right:	The Bank has the right to repurchase the shares in 5 years after issuance, as well as to call them off by that date.
- Conversion:	Mandatorily convertible into 15 common shares in case: 1) common equity Tier 1 to risk-weighted assets falls below 66.25% of minimum required by the Central Bank of Lebanon; or 2) the Bank is deemed non-viable by the Central Bank of Lebanon without such a conversion.

The Extraordinary General Assembly of shareholders held on 21 December 2016 validated and ratified the capital increase according to the aforementioned terms.

3. Pursuant to the resolution of the Extraordinary General Assembly of shareholders held on 21 July 2017, the Bank issued preferred shares series "J" under the following terms:

Preferred shares series "J"

- Number of shares:	2,750,000.
- Share's issue price:	USD 100.
- Share's nominal value:	LBP 1,663 (later become LBP 1,670 upon increasing the nominal value).
- Issue premium:	Calculated in USD as the difference between USD 100 and the counter value of the par value per share based on the exchange rate at the underwriting dates.
- Benefits:	Annual non-cumulative dividends of USD 4 per share for the year 2017, and USD 7 for each subsequent year.
- Repurchase right:	The Bank has the right to repurchase the shares in 5 years after issuance, as well as to call them off by that date
- Conversion:	Mandatorily convertible into 15 common shares in case: 1) common equity Tier 1 to risk-weighted assets falls below 66.25% of minimum required by the Central Bank of Lebanon; or 2) the Bank is deemed non-viable by the Central Bank of Lebanon without such a conversion.

The Extraordinary General Assembly of shareholders held on 27 October 2017 validated and ratified the capital increase according to the aforementioned terms.

PAID DIVIDENDS

In accordance with Central Bank of Lebanon Intermediate Circular 567, 616, 659, 676, 726 and 741 no dividends were distributed from 2019, 2020, 2021, 2022, 2023, and 2024 results.

39. CASH CONTRIBUTION TO CAPITAL

In previous years, agreements were entered between the Bank and its shareholders whereby the shareholders granted cash contributions to the Bank amounting to USD 48,150,000 (equivalent to LBP 72,586 million) subject to the following conditions:

- These contributions will remain as long as the Bank performs banking activities.
- If the Bank incurs losses and has to reconstitute its capital, these contributions may be used to cover the losses if needed.

- The shareholders have the right to use these contributions to settle their share in any increase of capital.
- No interest is due on the above contributions.
- The above cash contributions are considered as part of Tier 1 capital for the purpose of determining the Bank's capital adequacy ratio.
- The right to these cash contributions is for the present and future shareholders of the Bank.

40. NON-DISTRIBUTABLE RESERVES

	Legal Reserve LBP Million	Reserves Appropriated for Capital Increase LBP Million	Gain on Sale of Treasury Shares LBP Million	Reserve for General Banking Risks LBP Million	Unrealised Gain on Fair Value through Profit or Loss LBP Million	Reserve for Foreclosed Assets LBP Million	Other Reserves LBP Million	Total LBP Million
Balance at 1 January 2025	692,956	39,955	6,640	18,327	14,835	11,406	1,804,256	2,588,375
Appropriation of 2024 profits	140,786	-	-	-	-	-	-	140,786
Treasury share transactions	-	-	33,079	-	-	-	-	33,079
Entities deconsolidated	(52,340)	-	-	-	-	-	-	(52,340)
Balance at 31 December 2025	781,402	39,955	39,719	18,327	14,835	11,406	1,804,256	2,709,900

	Legal Reserve LBP Million	Reserves Appropriated for Capital Increase LBP Million	Gain on Sale of Treasury Shares LBP Million	Reserve for General Banking Risks LBP Million	Unrealised Gain on Fair Value through Profit or Loss LBP Million	Reserve for Foreclosed Assets LBP Million	Other Reserves LBP Million	Total LBP Million
Balance at 1 January 2024	639,935	39,955	6,640	18,327	14,835	11,406	1,804,256	2,535,354
Appropriation of 2023 profits	53,021	-	-	-	-	-	-	53,021
Balance at 31 December 2024	692,956	39,955	6,640	18,327	14,835	11,406	1,804,256	2,588,375

LEGAL RESERVE

The Lebanese Commercial Law and the Bank's articles of association stipulate that 10% of the net annual profits be transferred to legal reserve. In addition, subsidiaries and branches are also subject to legal reserve requirements based on the rules and regulations of the countries in which they operate. This reserve is not available for dividend distribution.

The Group transferred to legal reserve an amount of LBP 140,785 million (2024: LBP 53,021 million) as required by the laws applicable in the countries in which they operate.

RESERVES APPROPRIATED FOR CAPITAL INCREASE

This amount represents the net gain on the disposal of fixed assets acquired in settlement of debt, in addition to reserves on recovered

provisions for doubtful loans and debts previously written off, whenever recoveries exceed booked allowances.

GAIN ON SALE OF TREASURY SHARES

These gains arise from the Global Depository Receipts (GDRs) owned by the Group. Based on the applicable regulations, the Group does not have the right to distribute these gains.

OTHER RESERVES

According to the Central Bank of Lebanon's Main Circular 143, banks in Lebanon are required to transfer to other reserves the balance of reserves for general banking risks and general reserves for loans and advances (totalling LBP 889,720 million) previously appropriated in line with the requirements of Decision 7129 and Decision 7776 respectively. In accordance with the resolution of the Bank's General Assembly held on 30 June 2022 and Central

Bank of Lebanon's letter dated 27 January 2022, an amount of LBP 479,263 million was transferred from distributable reserves (for the gain from sale of subsidiaries) and an amount of LBP 165,414 million was transferred from retained earnings (for dividends distributed by foreign subsidiaries). This reserve is part of the Group's equity and is not available for distribution.

RESERVE FOR UNREALISED REVALUATION GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As per the Banking Control Commission's Circular 296 dated 4 June 2018, banks operating in Lebanon are required to appropriate in a special reserve from their annual net profits the value of gross

unrealised profits on financial assets at fair value through profit or loss. This reserve is not available for dividend distribution until such profits are realised and released to general reserves.

RESERVE FOR FORECLOSED ASSETS

The reserve for foreclosed assets represents appropriation against assets acquired in settlement of debt in accordance with the circulars of the Lebanese Banking Control Commission.

Appropriations against assets acquired in settlement of debt shall be transferred to unrestricted reserves upon the disposal of the related assets.

41. DISTRIBUTABLE RESERVES

	General Reserves LBP Million	Cost of Capital Issued LBP Million	Total LBP Million
Balance at 1 January 2025	43,453	(7,458)	35,995
Entities deconsolidated	-	7,458	7,458
Balance at 31 December 2025	43,453	-	43,453

	General Reserves LBP Million	Cost of Capital Issued LBP Million	Total LBP Million
Balance at 1 January 2024 and 31 December 2024	43,453	(7,458)	35,995

42. PROPOSED DIVIDENDS

In accordance with Central Bank of Lebanon Intermediate Circulars 567, 616, 659, 676, 726 and 741 the Board of Directors does not propose the payment of dividends for the years 2025, 2024, 2023, 2022 and 2021.

43. TREASURY SHARES

	2025		2024	
	Number of Shares	Cost LBP Million	Number of Shares	Cost LBP Million
Balance at 1 January	1,172,382	8,392	1,172,382	8,392
Sale of Treasury Shares	(160,000)	(1,146)	-	-
Balance at 31 December	1,012,382	7,246	1,172,382	8,392

44. OTHER COMPONENTS OF EQUITY

	2025				Total LBP Million
	Revaluation Reserve LBP Million	Cumulative Changes in Fair Value LBP Million	Foreign Currency Translation Reserve LBP Million	Actuarial Loss on Defined Benefit Obligation LBP Million	
Balance at 1 January 2025	26,513,396	8,807,225	47,281,624	(2,715,634)	79,886,611
Other comprehensive income from continuing operations	302,812	735,846	5,090,016	296,854	6,425,528
Gain on derecognition reclassified in the income statement	-	(74,185)	-	-	(74,185)
Foreign currency translation of other components of equity	121,729	(101,516)	46,661	(66,874)	-
Balance at 31 December 2025	26,937,937	9,367,370	52,418,301	(2,485,654)	86,237,954

	2024				Total LBP Million
	Real Estate Revaluation Reserve LBP Million	Cumulative Changes in Fair Value LBP Million	Foreign Currency Translation Reserve LBP Million	Actuarial Loss on Defined Benefit Obligation LBP Million	
Balance at 1 January 2024	16,917,281	1,260,006	7,819,519	(847,673)	25,149,133
Adjustment related to prior years	277,790	-	-	-	277,790
Restated balance at 1 January 2024	17,195,071	1,260,006	7,819,519	(847,673)	25,426,923
Other comprehensive income from continuing operations	8,626,970	8,184,216	39,551,585	(1,639,282)	54,723,489
Sale of FVTOCI	-	(263,801)	-	-	(263,801)
Foreign currency translation of other components of equity	691,355	(373,196)	(89,480)	(228,679)	-
Balance at 31 December 2024	26,513,396	8,807,225	47,281,624	(2,715,634)	79,886,611

REAL ESTATE REVALUATION RESERVE

Effective 31 December 2014, the Group made a voluntary change in its accounting policy for subsequent measurement of two classes of property and equipment being i) Land and ii) Building and Building Improvements from cost to revaluation model.

CUMULATIVE CHANGES IN FAIR VALUE

The cumulative changes as at 31 December represent the fair value differences from the revaluation of financial assets measured at fair value through other comprehensive income. The movement during the year can be summarised as follows:

	Change in Fair Value LBP Million	Deferred Tax LBP Million	Net LBP Million
Balance at 1 January 2025	10,714,272	(1,907,047)	8,807,225
Other comprehensive income from continuing operations	874,666	(138,820)	735,846
Gain on derecognition reclassified in the income statement	(74,185)	-	(74,185)
Foreign currency translation of other components of equity	(101,516)	-	(101,516)
Adjustments	(82)	82	-
Balance at 31 December 2025	11,413,155	(2,045,785)	9,367,370

Balance at 1 January 2024	1,533,676	(273,670)	1,260,006
Other comprehensive income from continuing operations	9,820,084	(1,635,868)	8,184,216
Sale of FVTOCI	(263,801)	-	(263,801)
Foreign currency translation of other components of equity	(373,196)	-	(373,196)
Adjustments	(2,491)	2,491	-
Balance at 31 December 2024	10,714,272	(1,907,047)	8,807,225

45. ASSETS AND LIABILITIES HELD FOR SALE

ODEA BANK A.Ş

On 14 October 2024, the Bank signed a shares purchase agreement for the sale of its 76.4% interest in the share capital of Odea Bank A.Ş. The transaction was executed on 26 March 2025, following the satisfaction of customary regulatory conditions, including obtaining the approvals of the Banking Regulation and Supervision Authority and the Competition Authority in Türkiye. The parties agreed on a purchase price for the shares less reduction (if any) made pursuant to the contract. No impairment for Odea Bank A.Ş has been recognised under IFRS 5 as at 31 December 2024. Impairment under IFRS 5 is calculated as the difference between fair value less disposal costs and the carrying value of the disposal group. The fair value is determined by reference to the purchase price agreed upon between the two parties, taking into consideration potential reductions to be made pursuant to the contract. The fair value less disposal costs and the expected contribution exceeds the net asset value as at 31 December 2024.

Assets and liabilities included in disposal groups classified as held for sale:

	Odea Bank A.Ş.	
	2025 LBP Million	2024 LBP Million
Cash and balances with central banks	-	33,504,059
Due from banks and financial institutions	-	13,225,753
Loans to banks and financial institutions and reverse repurchase agreements	-	7,179,637
Derivative financial instruments	-	1,047,604
Financial assets at fair value through profit or loss	-	5,846,092
Loans and advances to customers at amortised cost	-	68,274,353
Financial assets at amortised cost	-	35,527,493
Financial assets at fair value through other comprehensive income	-	23,024,470
Property and equipment and right-of-use assets	-	1,535,729
Intangible assets	-	2,448,277
Assets obtained in settlement of debt	-	589,277
Deferred tax assets	-	5,613,486
Other assets	-	2,812,221
Total assets classified as held for sale	-	200,628,451
Due to central banks	-	12,882
Due to banks and financial institutions	-	10,700,774
Due to banks under repurchase agreement	-	17,499,049
Derivative financial instruments	-	1,789,173
Customers' deposits	-	121,919,956
Debt issued and other borrowed funds	-	25,512,561
Other liabilities	-	3,255,273
Provisions for risks and charges	-	1,227,062
Total liabilities classified held for sale	-	181,916,730
Net assets classified as held for sale	-	18,711,721
Attributable to:		
Equity holders of the parent	-	15,375,316
Non-controlling interests	-	3,336,405
	-	18,711,721
Reserves related to assets held for sale		
Real estate revaluation reserve	-	198,385
Cumulative changes in fair value	-	(590,741)
Foreign currency translation reserve	-	9,572,018
Actuarial loss on defined benefit obligation	-	(165,856)
	-	9,013,806

The carrying value of the disposal group is stated after the elimination of internal balances between Odea Bank A.Ş and the remaining entities within the Group of LBP 4,537,192 million. Internal balances have been considered in determining the carrying

value of the disposal groups held for sale for the purposes of measuring the disposal group at the lower of carrying amount and fair value less costs to sell.

The disposal groups above meet the requirements for presentation as a discontinued operation. As such, the results, which have been presented as the profit after tax and non-controlling interest in respect of the discontinued operation on the face of the Group income statement, are analysed in the income statement below.

The income statement and the statement of comprehensive income below represent two-months of results as discontinued operations to 28 February 2025 (cut-off-date) compared to the year ended 31 December 2024.

	Odea Bank A.Ş.	
	2025 LBP Million	2024 LBP Million
Interest and similar income	5,744,247	42,306,056
Interest and similar expense	(5,792,926)	(46,426,352)
Net interest expense	(48,679)	(4,120,296)
Fee and commission income	363,231	2,392,355
Fee and commission expense	(44,577)	(243,166)
Net fee and commission income	318,654	2,149,189
Net trading gain	309,782	4,760,663
Other operating income	680,187	2,003,053
Total operating income	1,259,944	4,792,609
Net recovery on financial assets	267,161	1,593,849
Net operating income	1,527,105	6,386,458
Personnel expenses	(1,164,301)	(6,083,970)
Other operating expenses	(636,425)	(3,108,473)
Depreciation of property and equipment and right-of-use assets	(132,100)	(693,556)
Amortisation of intangible assets	(106,680)	(514,563)
Total operating expenses	(2,039,506)	(10,400,562)
Operating loss	(512,401)	(4,014,104)
Loss before tax	(512,401)	(4,014,104)
Income tax	403,308	3,340,211
Loss for the year	(109,093)	(673,893)
Transfer from other comprehensive income	(469,977)	-
Gain on sale for the period from discontinued operations	781,673	-
Profit (loss) for the year	202,603	(673,893)
Attributable to:		
Equity holder of the parent	228,328	(463,334)
Non-controlling interests	(25,725)	(210,559)
	202,603	(673,893)

Other comprehensive income relating to discontinued operations is as follows:

	Odea Bank A.Ş	
	2025 LBP Million	2024 LBP Million
Profit for the year	202,603	(673,893)
Other comprehensive (loss) income that will be reclassified to the income statement in subsequent periods		
<i>Foreign currency translation</i>		
Exchange differences on translation of foreign operations	(447,874)	12,510,626
Net foreign currency translation	(447,874)	12,510,626
<i>Cash flow hedge</i>		
Net hedging gain arising during the year	-	48,012
Gain reclassified to income statement	-	(50,566)
Tax effects	-	(8,103)
Net change in cash flow hedge	-	(10,657)
<i>Debt instruments at fair value through other comprehensive income</i>		
Change in fair value during the year	208,975	(977,001)
Tax effects	(48,064)	224,881
Net gain (loss) on debt instruments at fair value through other comprehensive income	160,911	(752,120)
Total other comprehensive (loss) income that will be reclassified to the income statement in subsequent periods	(286,963)	11,747,849
Other comprehensive income that will not be reclassified to the income statement in subsequent periods		
<i>Revaluation of lands and buildings</i>		
Revaluation gain	-	360,513
Tax effects	-	(108,154)
Net revaluation of land and buildings	-	252,359
<i>Remeasurement losses on defined benefit plans</i>		
Actuarial loss on defined benefits plans	-	(100,452)
Tax effects	-	30,135
Net remeasurement losses on defined benefits plans	-	(70,317)
<i>Equity instruments at fair value through other comprehensive income</i>		
Change in fair value during the year	-	3,988
Tax effects	-	(918)
Net gain on equity instruments at fair value through other comprehensive income	-	3,070
Total other comprehensive income that will not be reclassified to the income statement in subsequent periods	-	185,112
Other comprehensive loss reclassified to income statement	469,977	-
Other comprehensive income for the year, net of tax	183,014	11,932,961
Total comprehensive income for the year, net of tax	385,617	11,259,068
Attributable to:		
Equity holder of the parent	479,011	8,604,180
Non-controlling interests	(93,394)	2,654,888
	385,617	11,259,068

46. GROUP SUBSIDIARIES

A. LIST OF SIGNIFICANT SUBSIDIARIES

The following table shows information related to the significant subsidiaries of the Bank.

	Percentage of Ownership		Country of Incorporation	Principal Activity	Functional Currency
	2025	2024			
Bank Audi France sa	100.00	100.00	France	Banking (Commercial)	EUR
Banque Audi (Suisse) SA	100.00	100.00	Switzerland	Banking (Private)	CHF
Audi Capital (KSA) cjsc	99.99	99.99	Saudi Arabia	Financial services	SAR
Bank Audi LLC (Qatar)	100.00	100.00	Qatar	Banking services	QAR
Société Libanaise de Factoring sal	100.00	100.00	Lebanon	Factoring	LBP
Odea Bank A.Ş.	-	76.42	Turkey	Banking (Commercial)	TRY
Audi Investments Holding sal	100.00	100.00	Lebanon	Investment	USD

B. SIGNIFICANT RESTRICTIONS

Except as disclosed in Note 18, the Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The

supervisory frameworks require banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group, and comply with other ratios.

C. NON-CONTROLLING INTERESTS

Odea Bank A.Ş is the only subsidiary of the Group that has a material non-controlling interest with 23.58% equity interests held

by non-controlling interests as at 31 December 2025. During 2024, Odea Bank A.Ş was sold to a third party (Note 45).

MATERIAL PARTIALLY-OWNED SUBSIDIARIE

	Odea Bank A.Ş.	
	2025 %	2024 %
Proportion of equity interests held by non-controlling interests	-	23.58%

Financial information relating to Odea Bank A.Ş is provided in Note 45.

47. CASH AND CASH EQUIVALENTS

	2025 LBP Million	2024 LBP Million
Cash and balances with central banks	528,526,760	478,696,657
Due from banks and financial institutions	87,106,523	102,653,433
Due to central banks	(8,641)	(10,810)
Due to banks and financial institutions	(7,697,575)	(16,801,657)
	607,927,067	564,537,623

Cash and balances with central banks include amounts of LBP 90,959,046 million at 31 December 2025 (2024: LBP 120,838,999 million) representing mandatory reserve deposits and balances.

Cash and cash equivalents include balances that are subject to de-facto capital controls and restricted transfers outside Lebanon. Accordingly, these balances are not considered readily convertible to known amounts of cash in the denomination currency without

a risk of changes in value. However, the Group maintains their classification as cash and cash equivalents as they are freely transferrable within the Lebanese territory. These balances were as follows as at 31 December 2025 and 31 December 2024:

	2025 LBP Million	2024 LBP Million
Cash and balances with central banks	458,831,557	428,952,650
Due from banks and financial institutions	5,649	308,342
	458,837,206	429,260,992

48. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values in this note are stated at a specific date and may be different from the amounts which will actually be paid on the maturity or settlement dates of the instrument. In many cases, it would not be possible to realise immediately the estimated fair values given the size of the portfolios measured. Accordingly,

these fair values do not represent the value of these instruments to the Group as a going concern. Financial assets and liabilities are classified according to a hierarchy that reflects the significance of observable market inputs. The three levels of the fair value hierarchy are defined below:

QUOTED MARKET PRICES – LEVEL 1

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily

available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

VALUATION TECHNIQUE USING OBSERVABLE INPUTS – LEVEL 2

Financial instruments classified as Level 2 have been valued using models whose most significant inputs are derived directly or indirectly from observable market data. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices

for identical instruments in inactive markets, and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads.

VALUATION TECHNIQUE USING SIGNIFICANT UNOBSERVABLE INPUTS – LEVEL 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs).

48.1. FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

EFFECTS OF EXCHANGE RATES ON FAIR VALUE MEASUREMENTS

The fair value disclosures for other assets and liabilities are first determined in their original currency, which is not the Lebanese Pound in the case of most of the assets and liabilities reported below. These are then translated to Lebanese Pounds at the official

published exchange rate as discussed in Note 1.3. This matter should be taken into consideration when interpreting the fair value disclosures in this note, especially those under Level 1 and Level 2.

FAIR VALUE MEASUREMENT HIERARCHY OF THE FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE:

	2025			Total LBP Million
	Level 1 LBP Million	Level 2 LBP Million	Level 3 LBP Million	
FINANCIAL ASSETS				
Derivative financial instruments				
<i>Derivatives held for trading</i>				
Forward foreign exchange contracts	297	-	-	297
Forward precious metals contracts	150,776	-	-	150,776
Currency swaps	66,133	-	-	66,183
Precious metals swaps	571,765	-	-	571,765
Currency options	131,199	-	-	131,199
Precious metals options	326,074	-	-	326,074
Equity options	276,509	-	-	276,509
	1,522,753	-	-	1,522,753
Financial assets at fair value through profit or loss				
<i>Lebanese sovereign and Central Bank of Lebanon</i>				
Eurobonds	6,748,358	-	-	6,748,358
<i>Other sovereign</i>				
Treasury bills	22,430,279	-	-	22,430,279
Eurobonds	23,467	-	-	23,467
<i>Private sector and other securities</i>				
Mutual funds	-	106,644	1,055,626	1,162,270
Equity instruments	102,368	1,235	-	103,603
	29,304,472	107,879	1,055,626	30,467,977
Financial assets at fair value through other comprehensive income				
<i>Debt instruments</i>				
<i>Other sovereign</i>				
Treasury bills	67,060	-	-	67,060
Eurobonds	1,142,280	-	-	1,142,280
<i>Private sector and other securities</i>				
Banks and financial institutions	17,178,270	-	-	17,178,270
Corporate	11,479,914	-	-	11,479,914
<i>Equity instruments</i>				
Quoted	11,485,976	-	-	11,485,976
Unquoted	-	266	1,033,878	1,034,144
	41,353,500	266	1,033,878	42,387,644
	72,180,725	108,145	2,089,504	74,378,374

	2025			Total LBP Million
	Level 1 LBP Million	Level 2 LBP Million	Level 3 LBP Million	
FINANCIAL LIABILITIES				
Derivative financial instruments				
<i>Derivatives held for trading</i>				
Forward foreign exchange contracts	116,219	-	-	116,219
Forward precious metals contracts	210,815	-	-	210,815
Currency swaps	68,857	-	-	68,857
Precious metals swaps	14,433	-	-	14,433
Currency options	131,199	-	-	131,199
Precious metals options	326,074	-	-	326,074
Equity options	276,509	-	-	276,509
	1,144,106	-	-	1,144,106

	2024			
	Level 1 LBP Million	Level 2 LBP Million	Level 3 LBP Million	Total LBP Million
FINANCIAL ASSETS				
<i>Derivative financial instruments</i>				
<i>Derivatives held for trading</i>				
Forward foreign exchange contracts	64,218	-	-	64,218
Forward precious metals contracts	22,864	-	-	22,864
Currency swaps	18,119	-	-	18,119
Precious metals swaps	5,115	-	-	5,115
Currency options	292,422	-	-	292,422
Equity options	731,646	-	-	731,646
	1,134,384	-	-	1,134,384
<i>Financial assets at fair value through profit or loss</i>				
<i>Lebanese sovereign and Central Bank of Lebanon</i>				
Eurobonds	7,435,603	-	-	7,435,603
<i>Other sovereign</i>				
Treasury bills	3,481,835	-	-	3,481,835
Eurobonds	11,637	-	-	11,637
<i>Private sector and other securities</i>				
Mutual funds	-	115,424	1,299,515	1,414,939
Equity instruments	255,328	-	-	255,328
	11,184,403	115,424	1,299,515	12,599,342
<i>Financial assets at fair value through other comprehensive income</i>				
<i>Debt instruments</i>				
<i>Other sovereign</i>				
Treasury bills	67,335	-	-	67,335
Eurobonds	452,353	-	-	452,353
<i>Private sector and other securities</i>				
Banks and financial institutions	17,474,990	-	-	17,474,990
Corporate	527,366	-	-	527,366
<i>Equity instruments</i>				
Quoted	11,200,077	-	-	11,200,077
Unquoted	-	266	793,675	793,941
	29,722,121	266	793,675	30,516,062
	42,040,908	115,690	2,093,190	44,249,788

	2024			
	Level 1 LBP Million	Level 2 LBP Million	Level 3 LBP Million	Total LBP Million
FINANCIAL LIABILITIES				
<i>Derivative financial instruments</i>				
<i>Derivatives held for trading</i>				
Forward foreign exchange contracts	44,291	-	-	44,291
Currency swaps	45,638	-	-	45,638
Precious metals swaps	37	-	-	37
Currency options	292,422	-	-	292,422
Equity options	731,646	-	-	731,646
	1,114,034	-	-	1,114,034

VALUATION TECHNIQUES USED FOR MATERIAL CLASSES OF FINANCIAL ASSETS AND LIABILITIES CATEGORISED WITHIN LEVEL 2 AND LEVEL 3:

Funds and Equity Shares of Non-listed Entities

Units held in funds are measured based on their net asset value (NAV), taking into account redemption and/or other restrictions. Classification between Level 2 and Level 3 is dependent on whether the NAV is observable or unobservable (i.e. recent and published by the fund administrator or not).

Equity shares of non-listed entities comprise mainly the Group's strategic investments, are generally classified at fair value through other comprehensive income, and are not traded in active markets. These are investments in private companies, for which there is no

or only limited sufficient recent information to determine fair value. The Group determined that cost adjusted to reflect the investee's financial position and results since initial recognition represents the best estimate of fair value. Classification between Level 2 and Level 3 is based on whether the financial statements of the investee are recent and published or not. These instruments are fair valued using third-party information (NAV or financial statements of non-listed entities), without adjustment. Accordingly, quantitative information about significant unobservable inputs and sensitivity analysis cannot be developed by the Group in accordance with IFRS 13.93 (d).

The movement of items recurrently measured at fair value categorised within Level 3 during the year is as follows:

	2025		2024	
	Financial Instruments at Fair Value through Profit or Loss LBP Million	Financial Instruments at Fair Value through Other Comprehensive Income LBP Million	Financial Instruments at Fair Value through Profit or Loss LBP Million	Financial Instruments at Fair Value through Other Comprehensive Income LBP Million
FINANCIAL ASSETS				
Balance at 1 January	1,299,515	793,675	319,320	163,153
Re-measurement recognised in other comprehensive income	-	197,176	-	(52,266)
Re-measurement recognised in income statement	(19,734)	-	(313,634)	-
Sales	(224,155)	-	(176,446)	(2,822)
Foreign exchange difference	-	43,027	1,470,275	685,610
Balance at 31 December	1,055,626	1,033,878	1,299,515	793,675

48.2. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE

COMPARISON OF CARRYING AND FAIR VALUES FOR FINANCIAL ASSETS AND LIABILITIES NOT HELD AT FAIR VALUE

The fair values included in the table below were calculated for disclosure purposes only. The fair valuation techniques and assumptions described below relate only to the fair value of the Group's financial instruments not measured at fair value. Other institutions may use different methods and assumptions for their fair value estimations, and therefore such fair value disclosures cannot necessarily be compared from one institution to another.

Financial Assets and Liabilities Concentrated in Lebanon - subject to defacto capital controls

These assets consist of balances with the Central Bank of Lebanon and Lebanese banks, Lebanese government securities, loans and advances to customers and related parties and customers and related parties deposits and debt issued and other borrowed funds.

These are illiquid in nature and the measurement of their fair value is usually determined through discounted cash flow valuation models using observable market inputs, comprising of interest rates and yield curves, implied volatilities, and credit spreads. Due to the situation described in Note 1 and the unprecedented levels of uncertainty surrounding the economic crisis that Lebanon, and particularly the banking sector, is experiencing, Management is unable to produce faithful estimation of the fair value of these financial assets and liabilities.

The carrying value of the Group's other financial instruments not measured at fair value is reasonable approximation of their fair value.

FAIR VALUE MEASUREMENT HIERARCHY OF THE FINANCIAL ASSETS AND LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED:

Financial Assets and Liabilities not concentrated in Lebanon

	Carrying Value LBP Million	Fair Value			Total LBP Million
		Level 1 LBP Million	Level 2 LBP Million	Level 3 LBP Million	
31 December 2025					
FINANCIAL ASSETS					
Cash and balances with central banks	81,755,072	6,252,115	75,502,957	-	81,755,072
Due from banks and financial institutions	152,172,115	-	152,172,115	-	152,172,115
Net loans & advances to customers	98,772,183	-	-	98,772,183	98,772,183
<i>Corporate and SME</i>	41,324,424	-	-	41,324,424	41,324,424
<i>Retail and Personal Banking</i>	57,447,749	-	-	57,447,749	57,447,749
<i>Public sector</i>	10	-	-	10	10
Net loans & advances to related parties	15,770	-	-	15,770	15,770
<i>Retail and Personal Banking</i>	15,770	-	-	15,770	15,770
Financial assets classified at amortised cost	52,697,848	52,814,823	-	-	52,814,823
<i>Other sovereign</i>	30,456,091	30,541,871	-	-	30,541,871
<i>Private sector and other securities</i>	22,241,757	22,272,952	-	-	22,272,952
	385,412,988	59,066,938	227,675,072	98,787,953	385,529,963
FINANCIAL LIABILITIES					
Due to central banks	8,641	-	8,641	-	8,641
Due to banks and financial institutions	12,620,484	-	12,620,484	-	12,620,484
Customers' deposits	303,680,756	-	303,680,756	-	303,680,756
Deposits from related parties	697,478	-	697,478	-	697,478
	317,007,359	-	317,007,359	-	317,007,359

	Carrying Value LBP Million	Fair Value			Total LBP Million
		Level 1 LBP Million	Level 2 LBP Million	Level 3 LBP Million	
31 December 2024					
FINANCIAL ASSETS					
Cash and balances with central banks	45,541,362	9,428,115	37,282,930	-	46,711,045
Due from banks and financial institutions	149,537,512	-	149,537,512	-	149,537,512
Net loans & advances to customers	78,425,768	-	-	78,425,768	78,425,768
<i>Corporate and SME</i>	26,568,667	-	-	26,568,667	26,568,667
<i>Retail and Personal Banking</i>	51,857,101	-	-	51,857,101	51,857,101
Net loans & advances to related parties	171,735	-	-	171,735	171,735
<i>Retail and Personal Banking</i>	171,735	-	-	171,735	171,735
Financial assets classified at amortised cost	52,224,333	52,206,198	-	-	52,206,198
<i>Other sovereign</i>	31,033,982	31,075,030	-	-	31,075,030
<i>Private sector and other securities</i>	21,190,351	21,131,168	-	-	21,131,168
	325,900,710	61,634,313	186,820,442	78,597,503	327,052,258
FINANCIAL LIABILITIES					
Due to central banks	10,810	-	10,810	-	10,810
Due to banks and financial institutions	22,787,489	-	22,787,489	-	22,787,489
Customers' deposits	235,572,545	-	235,572,545	-	235,572,545
Deposits from related parties	5,296,242	-	5,296,242	-	5,296,242
	263,667,086	-	263,667,086	-	263,667,086

VALUATION TECHNIQUES USED FOR MATERIAL CLASSES OF FINANCIAL ASSETS AND LIABILITIES CATEGORISED WITHIN LEVEL 2 AND LEVEL 3:

Short-term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than three months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and balances with central banks; due to and from banks; demand deposits; and savings accounts without a specific maturity.

Deposits with Banks and Loans and Advances to Banks

For the purpose of this disclosure, for financial assets that are short-term in nature or have interest rates that re-price frequently, there is minimal difference between fair value and carrying amount. The fair value of deposits with longer maturities are estimated using discounted cash flows applying market rates for counterparties with similar credit quality. Where market data or credit information on the underlying borrower is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate discount rate.

Government Bonds, Certificates of Deposit and Other Debt Securities

The Group values these unquoted debt securities using discounted cash flow valuation models using observable market inputs, comprising of interest rates and yield curves, implied volatilities, and credit spreads.

Loans and Advances to Customers

For the purpose of this disclosure, in many cases, the fair value disclosed approximates carrying value because these advances are short-term in nature or have interest rates that re-price frequently. The fair value of loans and advances to customers that do not fall in this category is estimated using discounted cash flows by applying current rates to new loans with similar remaining maturities and to counterparties with similar credit quality.

Deposits from Banks and Customers

In many cases, the fair value disclosed approximates carrying value because these financial liabilities are short-term in nature or have interest rates that re-price frequently. The fair value for deposits with long-term maturities, such as time deposits, is estimated using discounted cash flows, applying either market rates or current rates for deposits of similar remaining maturities. Where market data is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate discount rate.

49. CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

CREDIT-RELATED COMMITMENTS AND CONTINGENT LIABILITIES

The Group enters into various commitments, guarantees and other contingent liabilities which are mainly credit-related instruments including both financial and non-financial guarantees and commitments to extend credit. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Group. The table below discloses the nominal principal amounts

of credit-related commitments and contingent liabilities. Nominal principal amounts represent the amount at risk should the contracts be fully drawn upon and clients' default. As a significant portion of guarantees and commitments is expected to expire without being withdrawn, the total of the nominal principal amount is not indicative of future liquidity requirements.

	2025		
	Banks LBP Million	Customers LBP Million	Total LBP Million
Guarantees and contingent liabilities			
Financial guarantees	154,931	12,486,067	12,640,998
Other guarantees	284,288	5,472,355	5,756,643
	439,219	17,958,422	18,397,641
Commitments			
Documentary credits	-	8,797,883	8,797,883
Loan commitments	-	19,083,645	19,083,645
<i>Of which: revocable</i>	-	17,762,419	17,762,419
<i>Of which: irrevocable</i>	-	1,321,226	1,321,226
	-	27,881,528	27,881,528

	2024		
	Banks LBP Million	Customers LBP Million	Total LBP Million
Guarantees and contingent liabilities			
Financial guarantees	168,464	15,674,060	15,842,524
Other guarantees	241,789	5,767,872	6,009,661
	410,253	21,441,932	21,852,185
Commitments			
Documentary credits	-	11,182,913	11,182,913
Loan commitments	-	29,814,859	29,814,859
Of which: revocable	-	28,388,333	28,388,333
Of which: irrevocable	-	1,426,526	1,426,526
	-	40,997,772	40,997,772

GUARANTEES (INCLUDING STANDBY LETTERS OF CREDIT)

Guarantees are given as security to support the performance of a customer to third parties. The main types of guarantees provided are:

- Financial guarantees given to banks and financial institutions on behalf of customers to secure loans, overdrafts, and other banking facilities; and

- Other guarantees are contracts that have similar features to the financial guarantee contracts but fail to meet the strict definition of a financial guarantee contract under IFRS. These mainly include performance and tender guarantees.

DOCUMENTARY CREDITS

Documentary credits commit the Group to make payments to third parties, on production of documents which are usually reimbursed immediately by customers.

LOAN COMMITMENTS

Loan commitments are defined amounts (unutilised credit lines or undrawn portions of credit lines) against which clients can borrow money under defined terms and conditions.

Revocable loan commitments are those commitments that can be unconditionally cancelled at any time subject to notice requirements according to their general terms and conditions. Irrevocable loan commitments result from arrangements where the Group has no right to withdraw the loan commitment once communicated to the beneficiary.

INVESTMENT COMMITMENTS

The Group invested in funds pursuant to the provisions of Decision No. 6116 dated 7 March 1996 of the Central Bank of Lebanon. In accordance with this resolution, the Group can benefit from facilities granted by the Central Bank of Lebanon to be invested in startup companies, incubators and accelerators whose objects are restricted to supporting the development, success and growth

of startup companies in Lebanon or companies whose objects are restricted to investing venture capital in startup companies in Lebanon. These investments have resulted in future commitments on the Group of LBP 654,693 million as of 31 December 2025 (2024: LBP 654,693 million).

LEGAL CLAIMS

Litigation is a common occurrence in the banking industry due to the nature of the business. At year-end, the Group had several unresolved legal claims in Lebanon and abroad, mainly those relating to the restrictive measures in place with respect to the withdrawal of funds and transfers abroad and a civil action filed in US federal courts in the US District Court in the Eastern District of New York (EDNY) against eleven Lebanese banks including Bank Audi sa, asserting primary and secondary liability claims under the Anti-Terrorism Act ("ATA").

The extent of the impact of these matters cannot always be predicted but may materially impact the Group's operations, financial results, condition and prospects. However, once professional advice has been obtained and the amount of damages reasonably estimated, the Group makes adjustments to account for any adverse effects which the claims may have on its financial standing. Based on advice from legal counsel, and despite the novelty of certain claims and the uncertainties inherent in their unique situation, Management believes that legal claims will not result in any material financial loss to the Group, except as provided for in Note 37, however they may have an impact on the liquidity of the Group (Note 57).

CAPITAL EXPENDITURE COMMITMENTS

	2025 LBP Million	2024 LBP Million
Capital expenditure commitments	27,405	24,305

COMMITMENTS RESULTING FROM CREDIT FACILITIES RECEIVED

The Group has several commitments and covenants resulting from credit facilities, term loans and subordinated debts with non-resident financial institutions. The financial covenants were

calculated based on the recorded figures and do not take into consideration the adjustments that may result from the resolution of the uncertainties in Note 1.

OTHER COMMITMENTS AND CONTINGENCIES

Certain areas of the Lebanese tax legislation and the tax legislations where the subsidiaries operate are subject to different interpretations in respect of the taxability of certain types of financial transactions and activities. The Bank's books in Lebanon for the years 2018 to 2019 (inclusive) are currently under review by the tax authorities. The outcome of this review cannot be determined yet. The Bank's books in Lebanon remain subject to the review of the tax authorities for the years 2018 to 2024 and the

review of the National Social Security Fund (NSSF) for the period from 30 September 2011 to 31 December 2025. In addition, the subsidiaries' books and records are subject to review by the tax and social security authorities in the countries in which they operate. Management believes that adequate provisions were recorded against possible review results to the extent that they can be reliably estimated.

50. ASSETS UNDER MANAGEMENT

Assets under management include client assets managed or deposited with the Group. For the most part, the clients decide how these assets are to be invested.

	2025 LBP Million	2024 LBP Million
Assets under management	642,266,903	620,235,477
Fiduciary assets	102,306,550	88,097,152
	744,573,453	708,332,629

51. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. The definition includes subsidiaries,

associates, Key Management Personnel and their close family members, as well as entities controlled or jointly controlled by them.

SUBSIDIARIES

Transactions between the Bank and its subsidiaries meet the definition of related-party transactions. However, where these are

eliminated on consolidation, they are not disclosed in the Group's financial statements.

ASSOCIATES AND OTHER ENTITIES

The Group provides banking services to its associates and to entities under common directorships. As such, loans, overdrafts, interest and non-interest bearing deposits, and current accounts are provided to these entities, as well as other services. These

transactions are conducted on the same terms as third-party transactions. Summarised financial information for the Group's associates is set out in Note 25 to these financial statements.

Amounts included in the Group's financial statements are as follows:

	2025 LBP Million	2024 LBP Million
Loans and advances	198,255	361,848
<i>Of which: granted to Key Management Personnel</i>	193,339	353,010
<i>Of which: cash collateral received against loans</i>	57	157,117
Indirect facilities	86,661	89,853
Deposits	1,417,033	3,537,330
Interest income on loans	2,484	12,528
Interest expense on deposits	3,504	4,310

KEY MANAGEMENT PERSONNEL

Key Management Personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Group considers the members of the Board of

Directors (and its sub-committees) and Executive Committee, and persons and entities connected to them to be Key Management Personnel.

	2025 LBP Million	2024 LBP Million
Short-term benefits	773,275	451,341
Post-employment benefits – income statement	19,085	6,485
Post-employment benefits – other comprehensive income	(9,820)	(59,298)

Short-term benefits comprise of salaries, bonuses, attendance fees and other benefits.

Provision for end-of-service benefits of Key Management Personnel amounted to LBP 102,580 million as of 31 December 2025 (2024: LBP 93,315 million).

52. RISK MANAGEMENT

The Group is exposed to various risk types, some of which are:

- Credit risk: the risk of default or deterioration in the ability of a borrower to repay a loan.
- Market risk: the risk of loss in balance sheet and off-balance sheet positions arising from movements in market prices. Movements in market prices include changes in interest rates (including credit spreads), exchange rates and equity prices.
- Liquidity risk: the risk that the Group cannot meet its financial obligations when they come due in a timely manner and at a reasonable cost.

- Operational risk: the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.
- Other risks faced by the Group include concentration risk, reputation risk, litigation risk, compliance risk, political risk, business/strategic risk, and information security/cybersecurity risk.

Risks are managed through a process of ongoing identification, measurement, monitoring, mitigation and control, and reporting to relevant stakeholders. The Group ensures that risks and rewards are properly balanced and in line with the risk appetite framework, which is approved by the Board of Directors.

BOARD OF DIRECTORS

The Board of Directors (the Board) is ultimately responsible for setting the level of acceptable risks to which the Group is exposed, and as such, approves the risk appetite and policies of the Group.

The Board monitors the risk profile in comparison to the risk appetite on a regular basis and follow-up on existing and emerging risks.

BOARD GROUP RISK COMMITTEE

The role of the Board's Group Risk Committee (BGRC) is to oversee the risk management framework and assess its effectiveness, review and recommend to the Board the Group risk policies and risk appetite, monitor the Group's risk profile, review stress test

scenarios and results, and provide access for the Group Chief Risk Officer (CRO) to the Board. The BGRC meets at least every quarter in the presence of the Group CRO.

Various management committees and departments oversee different aspects of risk management, as detailed below:

EXECUTIVE COMMITTEE

The Executive Committee's role is to assist the Board in executing the Group's strategy and to support the Group CEO with daily operations. It is responsible for developing and implementing business policies and issuing guidance for the Group within the

strategy approved by the Board. The Executive Committee is involved in reviewing and submitting to the Board risk policies and risk appetite.

ASSET LIABILITY COMMITTEE

The Asset Liability Committee (ALCO) is a Management committee responsible in part for managing market and liquidity risks, as well as reviewing funding needs and liquidity contingency measures. It is the responsibility of this committee to set up strategies for

managing liquidity and market risks and ensure that Treasury implements those strategies in line with risk policies and limits approved by the Board.

INTERNAL AUDIT

Risk management processes are independently audited by the Internal Audit Department. This includes the examination of both the adequacy and effectiveness of risk control procedures. Internal

Audit discusses the results of its assessments with Management and reports its findings and recommendations to the Audit Committee of the Board.

RISK MANAGEMENT

Risk Management is a function independent from business lines and headed by the Group CRO. The function has the responsibility to ensure that risks are properly identified, measured, monitored,

controlled, and reported to relevant stakeholders. These include the heads of business lines, Senior Management, ALCO, the Board Group Risk Committee and the Board. In addition, the function

works closely with Senior Management to ensure that proper controls and effective mitigants are in place. The Risk function at the Group level has the responsibility of drafting risk policies and principles for adoption at the entity level. In addition, it is in charge

RISK APPETITE

The Risk appetite reflects the level and type of risk that the Group is willing to accept, taking into account the Group's strategy, operating environment and regulatory constraints.

of cascading risk appetite and limits to entities and business lines, as well as monitoring and aggregating the risk profile across the Group.

Risk appetite is formalised in a document, which is reviewed by the Executive Committee and the Board Group Risk Committee, and approved by the Board. This document comprises qualitative and quantitative statements of risk appetite and includes key risk indicators covering various material and relevant risks.

53. CREDIT RISK

Credit risk is the risk that the Group will incur a loss because its obligors or counterparties fail to meet their contractual obligations, including the full and timely payment of principal and interest. Credit risk arises from various balance sheet and off-balance sheet exposures including bank placements, loans and advances, credit commitments, financial guarantees, letters of credit, acceptances,

investments in debt securities (including sovereign) and derivative financial instruments. Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position. In the case of credit derivatives, the Group is also exposed to the risk of default of the derivative's counterparty.

53.1. CREDIT RISK MANAGEMENT

The Group manages and controls credit risk by setting concentration limits on counterparties, geographies and sectors. It also monitors on a regular basis the risk profile in relation to these limits.

Credit risk oversight is conducted independently by the Credit Review and Credit Risk function within each entity. These functions ensure a proper coverage of credit risk through the implementation of various processes, including but not limited to: i) providing independent opinions on credit files, ii) reviewing and approving obligors risk rating assignments, iii) conducting portfolio reviews, iv) ensuring compliance with the Group's credit policy and limits, and v) aggregating data and reporting the credit risk profile to relevant stakeholders.

The Group has established various credit monitoring processes for the early detection of potential deteriorations in borrowers' credit quality and accordingly, the implementation of corresponding remedial measures. These processes include regular loan portfolio reviews, IFRS 9 Impairment Committee meetings, as well as individual credit assessments of borrowers and their corresponding facilities. The latter process is mainly applicable for non-retail obligors.

The Group has also established an approval limit structure for granting and renewing credit facilities. Credit officers and credit committees are responsible for the approval of facilities up to their own assigned limits. Once approved, facilities are disbursed when all the requirements set by the respective approval authority are met and documents intended as security are obtained and verified by the Credit Administration function.

53.2. EXPECTED CREDIT LOSSES

GOVERNANCE AND OVERSIGHT OF EXPECTED CREDIT LOSSES

The IFRS 9 Impairment Committee, which is a committee composed of Executive Committee members, oversees the implementation of the Expected Credit Loss (ECL) framework. This is being done by: i) approving the IFRS-9 Impairment Policy; ii) reviewing key assumptions and estimations that are part of the ECL framework; iii) approving the forward-looking economic scenarios; iv) approving staging classifications on a name-by-name basis for material exposures; and v) reviewing ECL results.

The Group reviews its IFRS 9 Impairment Policy on an annual basis, at minimum, and amends it accordingly to reflect any change in the estimation methodology, embedded assumptions or regulatory requirements.

Key judgments inherent in this policy, including the estimated life of revolving credit facilities and the quantitative criteria for assessing the Significant Increase in Credit Risk (SICR), are assessed through a combination of expert judgment and data-driven methodologies.

ECL is estimated using a model that takes into account the borrower's exposure, internal obligor risk rating, facility characteristics, and collateral information among other. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and so they may be subject to errors affecting the accuracy of their outputs. To manage model risks, the Group has established a systematic approach for the development, validation, approval, implementation and

on-going use of the models. Models are validated by a qualified independent party to the model developer(s), before first use and at regular intervals thereafter.

Each model is designated an owner who is responsible for: i) monitoring the performance of the model, which includes comparing estimated ECL versus actual realised losses; and ii) proposing post-model development adjustments to enhance model's accuracy or to account for situations where known or expected risk factors and information have not been considered in the modelling process. Models used in the estimation of ECL, including key inputs, are governed by a series of internal controls,

DEFINITION OF DEFAULT AND CURE

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay their credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).
- The borrower is more than 90 days past due on any material credit obligation to the Group.

As part of the qualitative assessment process of default identification, the Group carefully considers other criteria than the ones listed above in order to determine if an exposure should be classified in Stage 3 for ECL calculation purpose or if a Stage 2 classification is deemed more appropriate.

which include the validation of completeness and accuracy of data, reconciliation with Finance data, and documentation of the calculation steps.

ECL estimation takes into account a range of future economic scenarios, which are set by economists within the Group's Research Department using independent models and expert judgment. Forward-looking economic scenarios, with their corresponding probabilities of occurrence, are updated annually or more frequently in the event of a significant change in the prevailing economic conditions.

It is the Group's policy to consider a financial instrument as "cured" and therefore re-classified out of Stage 3 when none of the default criteria have been present for a specific period of time. The decision whether to classify an asset as Stage 2 or Stage 1 once cured is dependent on the absence of SICR criteria compared to the initial recognition date and is examined on a case-by-case basis. In case of forbearance under Stage 2, the borrower remains in this stage until all the following conditions have been met: i) at least a 12-month probation period has passed; ii) three consecutive payments under the new repayment schedule have been made; iii) the borrower has no past dues under any obligation to the Group; and iv) all the terms and conditions agreed to as part of the restructuring agreement when applicable have been met.

THE GROUP'S INTERNAL RATING AND PD ESTIMATION PROCESS

Central Banks, Sovereigns and Financial Institutions

For central banks, sovereigns and financial institutions' exposures, ratings from recognised external rating agencies are used and mapped to their corresponding PDs as reported by these agencies. These ratings with their corresponding PDs are monitored and updated on a regular basis.

As per BdL Intermediate Circular 649 issued on 24 November 2022, provision coverages on exposures to the Lebanese sovereign and to the Central Bank of Lebanon in foreign currency should reach 75% and 1.89% respectively. Regulatory ECLs on exposures to the Lebanese sovereign in local currency and to the Central Bank of Lebanon in local currency are set to 0%. Due to the high levels of uncertainties, the lack of observable indicators, and the lack of visibility regarding the Lebanese government's reform plans with respect to, among other, the exposures to the Central Bank of Lebanon, the Group was unable to estimate in a reasonable manner ECL on these exposures and accordingly, as applicable, the loss rates as per in BdL Intermediate Circular 649 were adopted. ECL on exposure to the Central Bank of Lebanon in foreign currency stood at 2.03% as at 31 December 2025 and 1.89% as at 31 December 2024.

Non-retail Loans

The Risk function is responsible for the development of internal rating models and for the estimation of Probability of Default (PD) and Loss Given Default (LGD). The Group uses an internal Obligor Risk Rating (ORR) scale comprised of 19 performing grades and 3 non-performing ones. These grades, which are generated by

internal rating models, are calibrated to PDs using historical default observations that are specific to each geography and business line segment. If historical default observations are not sufficient for a reliable PD estimation, then a low-default portfolio approach is adopted. The mapping of ratings to PDs is done initially on a through-the-cycle basis. PDs are then adjusted to incorporate a forward-looking component and point in time in line with the IFRS 9 standard.

Internal rating models for the Group's key lending portfolios (including Corporate and SME) take into account both obligor's qualitative and quantitative criteria such as:

- Historical and projected financial information related to the customer. These include debt service coverage, operations, liquidity, capital structure and other relevant financial ratios.
- Account behaviour, repayment history and other non-financial information such as management quality, company standing and industry risk.
- Any publicly available information from external parties. This includes external credit ratings issued by recognised rating agencies, independent research analyst reports and other market disclosures.
- Macroeconomic information such as GDP growth corresponding to the borrower's country of operations.
- Any other supporting information on the obligor's willingness and capacity to repay its debt.

Internal ratings are initially assigned by the credit origination functions (i.e. business lines) and are approved by the Credit Review function, which is independent from business lines. The Credit Review function is responsible for ensuring that ratings assigned to obligors are accurate and updated at all times.

Retail Loans and Private Banking

Retail lending comprises mainly of personal loans, car loans, credit cards and housing loans. The Group normally relies on application scorecards to score retail applicants. These are used either to automate decisions according to a certain cut-off score or as an additional input for credit officers to approve or reject applications. For the estimation of expected losses for retail products, the Group

LOSS GIVEN DEFAULT (LGD)

LGD is the magnitude of the likely loss in the event of a default. The Group estimates LGD based on the history of recovery rates of claims against defaulted counterparties that were fully settled, as well as on the potential future recoveries on defaulted counterparties

EXPOSURE AT DEFAULT (EAD)

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract. The EAD of a financial asset is its gross carrying amount at

SIGNIFICANT INCREASE IN CREDIT RISK

In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or Lifetime ECL (LTECL), the Group assesses whether there has been a significant increase in credit risk since initial recognition, using reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information based on the Group's historical experience and expert credit assessment including forward-looking information. The Group assessment of significant increase in credit risk is conducted on a monthly basis based on the following:

Non-retail Portfolio

Migration of obligor risk rating by a certain number of notches from origination date to reporting date as a key indicator of the change in the risk of default at origination date with one at reporting. The Group also considers in its assessment of significant increase in credit risk various qualitative factors including significant adverse

EXPECTED LIFE

With the exception of revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier. With respect to revolving facilities, the Group does not limit its exposure to credit losses to the contractual notice

uses the loss rate approach by product based on the net flow of exposures from a days-past-due bucket to another. This estimation is adjusted by a forward-looking component in line with the IFRS 9 standard.

Private Banking credit exposures are mainly related to margin lending activities where the Group typically holds high liquid and diversified securities as collaterals with very conservative loan-to-value thresholds. This lending discipline, together with very tight and automated monitoring standards, ensure the portfolio remains of very high quality. The ECLs for these exposures is dependent on collateral types and coverage level, among others.

that still have outstanding balances. LGD estimation is dependent on the counterparty and collateral type, as well as recovery costs. For portfolios with limited historical data, external benchmark information is used to supplement available internal data.

the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable.

changes in business condition, restructuring due to credit quality weakness during the past 12 months, and classification of an exposure under the "Follow-up and Regularisation" supervisory classification.

Retail Portfolio

The Group considers specific conditions that might be indicative of a significant increase in credit risk such as the occurrence of a restructuring event.

Backstop

As a backstop, the financial instrument is considered to have experienced a significant increase in credit risk if the obligor is more than 30 days past-due on his contractual payment.

A downgrade from Stage 2 to Stage 3 is based on whether financial assets are credit-impaired at the reporting date.

period, but instead, calculates ECL over a period that reflects the Group's expectations with regards to the customer's behaviour, its likelihood of default and future risk mitigation actions, which could include reducing or cancelling the facilities.

FORWARD-LOOKING INFORMATION

The Group incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition, and the measurement of ECL.

The Group formulates three economic scenarios: a base case, which is the median scenario and two less likely scenarios, one upside and one downside, each assigned a specific probability of occurrence. The base case scenario is aligned with information used by the Group for other purposes such as strategic and budgeting planning processes.

These scenarios, including the weights attributable to them, are prepared by economists in the Research Department. They are determined using a combination of expert judgment and model output. The Group reviews the methodologies and assumptions including any forecasts of future economic conditions on a regular basis.

MODIFIED AND FORBORNE LOANS

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention, and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in The Summary of Significant Accounting Policies above.

When a modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The Group has identified real GDP growth as the key driver for ECL estimation in several countries where it operates. Using an analysis of historical data, the Group has estimated relationships between this macro-economic variable and credit losses. The ECL estimates have been assessed for sensitivity to changes in forecasts of the macroeconomic-variable and also together with changes to the weights assigned to the scenarios. For the Group's various countries of operation, excluding Lebanon, the impact on ECL is not material.

For Lebanon, given the prevailing high economic and financial uncertainties and challenges, as disclosed in Note 1, ECLs estimation remains subject to high volatility (including from changes to macroeconomic variable forecasts) especially in view of the prolonged crisis. It is not practical at this stage to determine and provide a sensitivity analysis that is reasonably possible before the full resolution of these prevailing high uncertainties.

The Group renegotiates loans to customers in financial difficulties (referred to as "forbearance activities") to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on his debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the interest and/or principal and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk.

The table below includes Stage 1 and 2 assets that were modified and, therefore, treated as forborne during the year.

	2025 LBP Million	2024 LBP Million
Amortised costs of financial assets modified during the period	45,953	388,513

FINANCIAL ASSETS AND ECLS BY STAGE

The tables below present an analysis of financial assets at amortised cost by gross exposure and impairment allowance by stage allocation as at 31 December 2025 and 31 December 2024. The

Group does not hold any purchased or originated credit-impaired assets as at year-end.

	Gross Exposure				Impairment Allowance				Net Exposure LBP Million
	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million	
31 December 2025									
Central banks	73,402,185	805,986,175	-	879,388,360	-	16,323,933	-	16,323,933	863,064,427
Due from banks and financial institutions	152,162,403	106,034	33,013	152,301,450	7,256	1,056	12,850	21,162	152,280,288
Loans and advances to customers at amortised cost	100,530,695	2,293,970	19,675,664	122,500,329	642,253	527,152	19,460,283	20,629,688	101,870,641
<i>Corporate and SME</i>	42,429,754	2,271,532	15,644,546	60,345,832	515,204	523,833	15,395,332	16,434,369	43,911,463
<i>Retail and Personal Banking</i>	58,100,931	22,438	3,176,713	61,300,082	127,049	3,319	3,210,547	3,340,915	57,959,167
<i>Public sector</i>	10	-	854,405	854,415	-	-	854,404	854,404	11
Loans and advances to related parties at amortised cost	198,255	-	-	198,255	-	-	-	-	198,255
Financial assets at amortised cost	52,707,989	59,478,730	2,030,722	114,217,441	10,141	1,173,306	-	1,183,447	113,033,994
Financial guarantees and other commitments	28,008,227	793,586	506,570	29,308,383	61,297	39,624	215,761	316,682	28,991,701
Total	407,009,754	868,658,495	22,245,969	1,297,914,218	720,947	18,065,071	19,688,894	38,474,912	1,259,439,306

	Gross Exposure				Impairment Allowance				Net Exposure LBP Million
	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million	
31 December 2024									
Central banks	36,657,218	835,207,795	-	871,865,013	-	16,228,563	-	16,228,563	855,636,450
Due from banks and financial institutions	149,531,355	489,183	33,000	150,053,538	5,640	56,478	12,776	74,894	149,978,644
Loans and advances to customers at amortised cost	78,264,067	6,335,533	22,449,488	107,049,088	1,408,890	1,832,106	18,011,693	21,252,689	85,796,399
<i>Corporate and SME</i>	25,992,459	6,256,829	16,111,773	48,361,061	1,188,499	1,818,767	13,197,403	16,204,669	32,156,392
<i>Retail and Personal Banking</i>	52,271,608	76,213	5,009,351	57,357,172	220,391	13,332	3,485,926	3,719,649	53,637,523
<i>Public sector</i>	-	2,491	1,328,364	1,330,855	-	7	1,328,364	1,328,371	2,484
Loans and advances to related parties at amortised cost	361,848	-	-	361,848	-	-	-	-	361,848
Financial assets at amortised cost	52,233,863	59,479,673	2,041,628	113,755,164	9,531	1,173,306	-	1,182,837	112,572,327
Financial guarantees and other commitments	33,941,016	651,374	504,694	35,097,084	45,533	23,201	214,723	283,457	34,813,627
Total	350,989,367	902,163,558	25,028,810	1,278,181,735	1,469,594	19,313,654	18,239,192	39,022,440	1,239,159,295

The following table represents a reconciliation of the opening to the closing balance of impairment allowances of loans and advances at amortised cost:

	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
At 1 January 2025	1,408,890	1,832,106	18,011,693	21,252,689
Net re-measurements and reallocations	(803,810)	(1,308,720)	3,816,468	1,703,938
Recoveries	-	-	(1,296,156)	(1,296,156)
Write-offs	-	-	(2,064,168)	(2,064,168)
Other movements	-	-	741,980	741,980
Foreign exchange difference	37,173	3,766	250,466	291,405
Balance at 31 December 2025	642,253	527,152	19,460,283	20,629,688

	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
At 1 January 2024	370,615	98,727	4,178,419	4,647,761
Net re-measurements and reallocations	(857,619)	1,303,960	1,810,210	2,256,551
Recoveries	-	-	(4,327,641)	(4,327,641)
Write-offs	-	-	(5,027,413)	(5,027,413)
Other movements	-	-	765,535	765,535
Foreign exchange difference	1,895,894	429,419	20,612,583	22,937,896
Balance at 31 December 2024	1,408,890	1,832,106	18,011,693	21,252,689

The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity, was LBP 14,104,849 million at 31 December 2025 (2024: LBP 12,040,681 million).

The following table represents a reconciliation of the opening to the closing balance of impairment allowances of financial assets at amortised cost:

	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
At 1 January 2025	9,531	1,173,306	-	1,182,837
Net re-measurements and reallocations	(638)	-	-	(638)
Foreign exchange difference	1,248	-	-	1,248
Balance at 31 December 2025	10,141	1,173,306	-	1,183,447

	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
At 1 January 2024	975	196,644	2,617,629	2,815,248
Net re-measurements and reallocations	7,361	-	807,577	814,938
Transfer arising from the Eurobonds reclassification (Note 23)	-	-	(16,067,339)	(16,067,339)
Write offs	-	-	(353,845)	(353,845)
Foreign exchange difference	1,195	976,662	12,995,978	13,973,835
Balance at 31 December 2024	9,531	1,173,306	-	1,182,837

The following table represents a reconciliation of the opening to the closing balance of impairment allowances of balances with central banks:

	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
At 1 January 2025	-	16,228,563	-	16,228,563
Foreign exchange difference	-	95,370	-	95,370
Balance at 31 December 2025	-	16,323,933	-	16,323,933

	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
At 1 January 2024	-	2,728,114	-	2,728,114
Foreign exchange difference	-	13,500,449	-	13,500,449
Balance at 31 December 2024	-	16,228,563	-	16,228,563

Net re-measurements and reallocations include re-measurements as a result of changes in the size of portfolios, reclassifications between stages and risk parameter changes.

53.3. ANALYSIS OF RISK CONCENTRATIONS

GEOGRAPHICAL LOCATION ANALYSIS

The Group controls credit risk by maintaining close monitoring credit of its assets exposures by geographic location. The distribution of financial assets by geographic region as of 31 December is as follows:

	2025									
	Lebanon LBP Million	Turkey LBP Million	MENA LBP Million	Europe LBP Million	North America LBP Million	Asia LBP Million	Rest of Africa LBP Million	Central and South America LBP Million	Rest of the World LBP Million	Total LBP Million
Balances with central banks	789,662,242	-	-	73,402,185	-	-	-	-	-	863,064,427
Due from banks and financial institutions	108,172	-	26,539,943	104,490,338	16,574,440	4,549,080	18,315	-	-	152,280,288
Derivative financial instruments	145,645	-	171	1,371,289	30	441	5,177	-	-	1,522,753
Financial assets at fair value through profit or loss	6,748,358	-	-	-	22,430,279	-	-	23,467	-	29,202,104
Loans and advances to customers at amortised cost	26,518,029	996,858	30,606,698	22,577,416	2,040	1,038,314	17,661,864	2,036,486	432,936	101,870,641
Loans and advances to related parties at amortised cost	193,992	-	61	4,202	-	-	-	-	-	198,255
Debtors by acceptances	93,401	-	142,588	56,471	-	-	499,173	-	-	791,633
Financial assets at amortised cost	60,336,146	-	2,587,407	19,460,749	26,407,697	2,309,763	-	-	1,932,232	113,033,994
Financial assets at fair value through other comprehensive income	-	-	4,599,002	7,249,953	15,311,938	2,440,035	-	-	266,596	29,867,524
Other assets	4,953,880	-	119,729	507,383	-	-	-	-	-	5,580,992
	888,759,865	996,858	64,595,599	229,119,986	80,726,424	10,337,633	18,184,529	2,059,953	2,631,764	1,297,412,611

	2024									
	Lebanon LBP Million	Turkey LBP Million	MENA LBP Million	Europe LBP Million	North America LBP Million	Asia LBP Million	Rest of Africa LBP Million	Central and South America LBP Million	Rest of the World LBP Million	Total LBP Million
Balances with central banks	818,979,232	-	-	36,657,218	-	-	-	-	-	855,636,450
Due from banks and financial institutions	432,705	268	23,183,576	106,162,347	12,618,483	7,580,795	470	-	-	149,978,644
Derivative financial instruments	60,999	-	32,828	1,030,459	-	-	10,098	-	-	1,134,384
Financial assets at fair value through profit or loss	7,435,603	-	-	-	3,481,835	-	-	11,637	-	10,929,075
Loans and advances to customers at amortised cost	26,843,592	445,193	20,251,007	24,001,114	2,501,925	907	9,909,947	1,256,004	586,710	85,796,399
Loans and advances to related parties at amortised cost	199,964	-	157,285	4,599	-	-	-	-	-	361,848
Debtors by acceptances	142,944	-	86,134	101,444	194,053	11,085	-	74,747	25,053	635,460
Financial assets at amortised cost	60,347,995	-	3,947,989	25,332,567	19,540,041	2,213,437	-	-	1,190,298	112,572,327
Financial assets at fair value through other comprehensive income	-	-	1,472,394	5,854,220	9,928,031	1,267,399	-	-	-	18,522,044
Other assets	4,687,121	-	156,750	352,691	-	-	-	-	-	5,196,562
	919,130,155	445,461	49,287,963	199,496,659	48,264,368	11,073,623	9,920,515	1,342,388	1,802,061	1,240,763,193

INDUSTRIAL ANALYSIS

The Group controls credit risk by maintaining close monitoring credit of its assets exposures by industry sector. The distribution of financial assets by industry sector as of 31 December is as follows:

	2025									
	Financial Services and Brokerage LBP Million	Government LBP Million	Consumers LBP Million	Retail and Wholesale LBP Million	Construction and Materials LBP Million	Manufacturing LBP Million	Energy and Petroleum LBP Million	Services and Utilities LBP Million	Agriculture LBP Million	Total LBP Million
Balances with central banks	-	863,064,427	-	-	-	-	-	-	-	863,064,427
Due from banks and financial institutions	152,280,288	-	-	-	-	-	-	-	-	152,280,288
Derivative financial instruments	55,657	-	-	1,467,096	-	-	-	-	-	1,522,753
Financial assets at fair value through profit or loss	-	29,202,104	-	-	-	-	-	-	-	29,202,104
Loans and advances to customers at amortised cost	5,246,532	34,035	55,198,177	23,803,238	3,329,854	8,779,690	12,699	5,028,841	437,575	101,870,641
Loans and advances to related parties at amortised cost	1,992	-	196,262	-	-	-	-	1	-	198,255
Debtors by acceptances	46,143	-	-	652,089	-	93,401	-	-	-	791,633
Financial assets at amortised cost	10,921,626	90,792,238	4,342,313	-	-	5,697,118	-	1,280,699	-	113,033,994
Financial assets at fair value through other comprehensive income	17,408,600	1,209,340	6,086,937	-	-	1,056,170	-	4,106,477	-	29,867,524
Other assets	5,462,262	-	118,630	-	-	-	-	-	-	5,580,992
	191,423,200	984,302,144	65,942,319	25,922,423	3,329,854	15,626,379	12,699	10,416,018	437,575	1,297,412,611

	2024									
	Financial Services and Brokerage LBP Million	Government LBP Million	Consumers LBP Million	Retail and Wholesale LBP Million	Construction and Materials LBP Million	Manufacturing LBP Million	Energy and Petroleum LBP Million	Services and Utilities LBP Million	Agriculture LBP Million	Total LBP Million
Balances with central banks	-	855,636,450	-	-	-	-	-	-	-	855,636,450
Due from banks and financial institutions	149,978,644	-	-	-	-	-	-	-	-	149,978,644
Derivative financial instruments	1,029,290	-	-	105,094	-	-	-	-	-	1,134,384
Financial assets at fair value through profit or loss	-	10,929,075	-	-	-	-	-	-	-	10,929,075
Loans and advances to customers at amortised cost	5,322,120	5,172	53,285,796	12,957,048	2,645,954	5,050,136	2,533,255	3,795,249	201,669	85,796,399
Loans and advances to related parties at amortised cost	157,293	-	204,555	-	-	-	-	-	-	361,848
Debtors by acceptances	38,702	-	-	445,318	30,421	121,019	-	-	-	635,460
Financial assets at amortised cost	12,570,439	91,381,977	4,016,603	-	-	3,362,785	-	1,240,523	-	112,572,327
Financial assets at fair value through other comprehensive income	17,702,188	519,547	-	-	-	229,189	-	71,120	-	18,522,044
Other assets	5,132,462	-	64,100	-	-	-	-	-	-	5,196,562
	191,931,138	958,472,221	57,571,054	13,507,460	2,676,375	8,763,129	2,533,255	5,106,892	201,669	1,240,763,193

53.4. CREDIT QUALITY

The Group assesses the quality of its credit portfolio using the following credit rating methodologies:

- (i) External ratings from approved credit rating agencies for fixed income instruments and financial institutions exposures.
- (ii) Internal rating models that take into account both financial and non-financial information such as management quality, operating environment and company standing. The Group has developed specific internal rating models for Corporate, SME and Individual borrowers.
- (iii) Supervisory classifications, comprising six main categories: (a) Regular includes borrowers demonstrating good to excellent financial condition, risk factors, and capacity to repay. These borrowers display regular and timely payment of their dues, adequacy of cash flows, timely presentation of financial statements, and sufficient collateral/guarantee when required. (b) Follow-up includes borrowers with incomplete credit files,

unclear loan purposes or repayment sources, or those with credit files not updated for over a year. (c) Follow-up and regularisation includes borrowers requiring close monitoring without being impaired. These borrowers usually demonstrate some signs of credit weaknesses (such as insufficient or inadequate cash flows, high leverage ratio, excess facility utilisation, multiple loan rescheduling since initiation), or operate under deteriorating economic or geographic conditions. (d) Substandard loans refer to borrowers who clearly demonstrate an inability to repay their obligations on time due to financial difficulties (e.g. hard core accounts or weak cash generation capacity). (e) Doubtful loans where full repayment is questioned even after liquidation of collateral, when applicable. It also includes loans with past-dues for over 6 months and debtors who are unable to repay their restructured facilities. Finally, (f) bad loans which relate to obligors with no or little prospects of repayment from their business activities or through assets liquidation. This category also includes borrowers with significant payment delays and/or deemed insolvent.

SOVEREIGN AND BANKS AND FINANCIAL INSTITUTIONS

External Rating Grade	Credit Quality Description
AA+, AA, AA-	High
A+, A, A-	High
BBB+, BBB, BBB-	Standard
BB+, BB, BB-	Standard
B+, B, B-	Weak
CCC+, CCC, CCC-	Weak
CC, C, D	Credit-impaired

NON-RETAIL LOANS

Internal Rating Grade ^(*)	Credit Quality Description
Performing	
1	High
2	High
3	High
4	Standard
5	Standard
6	Standard
7	Weak
Non-performing	
8	Credit-impaired
9	Credit-impaired
10	Credit-impaired

^(*) The internal rating grade is based on the obligor risk rating (which is mapped to PD) and therefore does not incorporate facility risk characteristics and structure such as the existence of credit risk mitigants (impacting therefore LGD). For this reason, an obligor risk rating can be mapped to various supervisory classifications depending on the expected credit loss level.

RETAIL

Internal Rating Grade ^(*)	Credit Quality Description
Performing	
B0 (0 days past due)	High
B1 (1 to 30 days past due)	Standard
B2 (31 to 60 days past due)	Standard
B3 (61 to 90 days past due)	Weak
Non-performing	
B4 – B6 (91 to 180 days past due)	Credit-impaired
B7 – B12 (181 days to 360 days past due)	Credit-impaired
B13 (more than 360 days past due)	Credit-impaired

The credit quality descriptions can be summarised as follows:

- **High:** there is a very high likelihood that the asset will be recovered in full. Counterparties in this category demonstrate a strong ability and willingness to fulfill their obligations on due time.
- **Standard:** there is a high likelihood that the asset will be recovered in full. The lower end of this category includes borrowers in the early stages of delinquency, suggesting operational reduction in their ability to repay their obligations.
- **Weak:** there are concerns about the obligor's ability to make timely payments, although no default has occurred yet. Borrowers who continue to make payments, albeit with delays, are under close monitoring and follow-up. The likelihood of loss is increasing in this category.

The table below shows the credit quality of the Group's financial instruments and balances due from banks and financial institutions as per external ratings.

	2025												
	Sovereign and Central Banks						Non-sovereign						Grand Total LBP Million
	AAA to AA- LBP Million	A+ to BBB- LBP Million	BB+ to B- LBP Million	Below B- LBP Million	Unrated LBP Million	Total LBP Million	AAA to AA- LBP Million	A+ to BBB- LBP Million	BB+ to B- LBP Million	Unrated LBP Million	Total LBP Million		
Balances with central banks	73,402,185	-	-	-	789,662,242	863,064,427	-	-	-	-	-	863,064,427	
Due from banks and financial institutions	-	-	-	-	-	-	58,544,267	92,959,718	647,968	128,335	152,280,288	152,280,288	
Financial assets at fair value through profit or loss	22,430,279	-	-	6,771,825	-	29,202,104	-	-	-	-	-	29,202,104	
Financial assets at amortised cost	29,762,534	693,558	-	2,030,722	58,305,424	90,792,238	6,898,261	15,343,495	-	-	22,241,756	113,033,994	
Financial assets at fair value through other comprehensive income	524,419	684,921	-	-	-	1,209,340	8,005,483	20,652,701	-	-	28,658,184	29,867,524	
	126,119,417	1,378,479	-	8,802,547	847,967,666	984,268,109	73,448,011	128,955,914	647,968	128,335	203,180,228	1,187,448,337	

	2024												
	Sovereign and Central Banks						Non-sovereign						Grand Total LBP Million
	AAA to AA- LBP Million	A+ to BBB- LBP Million	BB+ to B- LBP Million	Below B- LBP Million	Unrated LBP Million	Total LBP Million	AAA to AA- LBP Million	A+ to BBB- LBP Million	BB+ to B- LBP Million	Unrated LBP Million	Total LBP Million		
Balances with central banks	36,657,218	-	-	-	818,979,232	855,636,450	-	-	-	-	-	855,636,450	
Due from banks and financial institutions	-	-	-	-	-	-	65,287,594	83,838,529	9,446	843,075	149,978,644	149,978,644	
Financial assets at fair value through profit or loss	3,481,835	-	-	7,447,240	-	10,929,075	-	-	-	-	-	10,929,075	
Financial assets at amortised cost	30,119,517	914,465	-	2,041,628	58,306,367	91,381,977	7,942,949	13,247,401	-	-	21,190,350	112,572,327	
Financial assets at fair value through other comprehensive income	519,688	-	-	-	-	519,688	1,082,635	16,919,721	-	-	18,002,356	18,522,044	
	70,778,258	914,465	-	9,488,868	877,285,599	958,467,190	74,313,178	114,005,651	9,446	843,075	189,171,350	1,147,638,540	

The table below shows the credit quality of the Group's loans and advances to customers based on credit quality segment and stage classification.

	2025			
	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
Loans and advances to customers at amortised cost	100,530,695	2,293,970	19,675,664	122,500,329
Corporate and SMEs	42,429,754	2,271,532	15,644,546	60,345,832
Performing				
<i>High</i>	4,486,739	-	-	4,486,739
<i>Standard</i>	37,716,332	1,351,634	-	39,067,966
<i>Weak</i>	226,683	919,898	-	1,146,581
Non-performing				
<i>Credit-impaired</i>	-	-	15,644,546	15,644,546
Retail and Private Banking	58,100,931	22,438	3,176,713	61,300,082
Performing				
<i>High</i>	46,191,041	-	-	46,191,041
<i>Standard</i>	11,909,890	18,406	-	11,928,296
<i>Weak</i>	-	4,032	-	4,032
Non-performing				
<i>Credit-impaired</i>	-	-	3,176,713	3,176,713
Public sector	10	-	854,405	854,415
Performing				
<i>High</i>	10	-	-	10
Non-performing				
<i>Credit-impaired</i>	-	-	854,405	854,405
Loans and advances to related parties at amortised cost	198,255	-	-	198,255
Performing				
<i>High</i>	198,255	-	-	198,255
Off-balance sheet loan commitments and financial guarantee contracts	28,008,227	793,586	506,570	29,308,383
Performing				
<i>High</i>	7,404,887	-	-	7,404,887
<i>Standard</i>	20,454,408	579,077	-	21,033,485
<i>Weak</i>	148,932	214,509	-	363,441
Non-performing				
<i>Credit-impaired</i>	-	-	506,570	506,570
Total	128,737,177	3,087,556	20,182,234	152,006,967

	2024			
	Stage 1 LBP Million	Stage 2 LBP Million	Stage 3 LBP Million	Total LBP Million
Loans and advances to customers at amortised cost	78,264,067	6,335,533	22,449,488	107,049,088
Corporate and SMEs	25,992,459	6,256,829	16,111,773	48,361,061
Performing				
<i>High</i>	243,604	144,941	-	388,545
<i>Standard</i>	25,628,904	5,008,608	-	30,637,512
<i>Weak</i>	119,951	1,103,280	-	1,223,231
Non-performing				
<i>Credit-impaired</i>	-	-	16,111,773	16,111,773
Retail and Private Banking	52,271,608	76,213	5,009,351	57,357,172
Performing				
<i>High</i>	42,766,593	-	-	42,766,593
<i>Standard</i>	9,505,015	65,687	-	9,570,702
<i>Weak</i>	-	10,526	-	10,526
Non-performing				
<i>Credit-impaired</i>	-	-	5,009,351	5,009,351
Public sector	-	2,491	1,328,364	1,330,855
Performing				
<i>Weak</i>	-	2,491	-	2,491
Non-performing				
<i>Credit-impaired</i>	-	-	1,328,364	1,328,364
Loans and advances to related parties at amortised cost	361,848	-	-	361,848
Performing				
<i>High</i>	361,848	-	-	361,848
Off-balance sheet loan commitments and financial guarantee contracts	33,941,016	651,374	504,694	35,097,084
Performing				
<i>High</i>	6,995,106	6,442	-	7,001,548
<i>Standard</i>	26,863,673	247,800	-	27,111,473
<i>Weak</i>	82,237	397,132	-	479,369
Non-performing				
<i>Credit-impaired</i>	-	-	504,694	504,694
Total	112,566,931	6,986,907	22,954,182	142,508,020

53.5. MAXIMUM EXPOSURE TO CREDIT RISK AND COLLATERAL AND OTHER CREDIT ENHANCEMENTS

The following table shows the maximum exposure to credit risk by class of financial asset. It further shows the total fair value of collateral, capped to the maximum exposure to which it relates and the net exposure to credit risk.

	2025								
	Maximum Exposure LBP Million	Cash Collateral and Margins LBP Million	Securities LBP Million	Guarantees Received from Banks and Financial Institutions LBP Million	Real Estate LBP Million	Vehicles LBP Million	Other Guarantees LBP Million	Risk Transfer LBP Million	Net Credit Exposure LBP Million
Balances with central banks	863,064,427	-	-	-	-	-	-	-	863,064,427
Due from banks and financial institutions	152,280,288	-	-	-	-	-	-	-	152,280,288
Derivative financial instruments	1,522,753	-	-	-	-	-	-	-	1,522,753
Financial assets at fair value through profit or loss	29,202,104	-	-	-	-	-	-	-	29,202,104
Loans and advances to customers at amortised cost	101,870,641	16,286,978	36,588,715	46,774	11,024,224	561,545	97,069	-	37,265,336
<i>Corporate and SME</i>	43,911,463	6,411,588	1,430,512	1,198	3,142,495	920	3,819	-	32,920,931
<i>Retail and Personal Banking</i>	57,959,167	9,875,390	35,158,203	45,576	7,881,729	560,625	93,250	-	4,344,394
<i>Public sector</i>	11	-	-	-	-	-	-	-	11
Loans and advances to related parties at amortised cost	198,255	57	-	-	181,592	-	7,169	-	9,437
Debtors by acceptances	791,633	263,407	-	-	-	-	-	-	528,226
Financial assets at amortised cost	113,033,994	-	-	-	-	-	-	914,973	112,119,021
Financial assets at fair value through other comprehensive income	29,867,524	-	-	-	-	-	-	-	29,867,524
Other assets	5,580,992	-	-	-	-	-	-	-	5,580,992
Contingent liabilities	21,438,881	3,686,041	233,045	46,111	30,601	9	240,589	-	17,202,485
<i>Letters of credit</i>	8,797,883	1,880,917	-	-	-	-	-	-	6,916,966
<i>Financial guarantee given to banks and financial institutions</i>	154,931	-	-	-	-	-	-	-	154,931
<i>Financial guarantee given to customers</i>	12,486,067	1,805,124	233,045	46,111	30,601	9	240,589	-	10,130,588
Total	1,318,851,492	20,236,483	36,821,760	92,885	11,236,417	561,554	344,827	914,973	1,248,642,593
Guarantees received from banks, financial institutions and customers									
Utilised collateral		20,236,483	36,821,760	92,885	11,236,417	561,554	344,827		69,293,926
Surplus of collateral before undrawn credit lines		100,189,897	135,973,919	346,140	25,389,202	1,481,161	18,347,073		281,727,392
		120,426,380	172,795,679	439,025	36,625,619	2,042,715	18,691,900		351,021,318

The surplus of collateral mentioned above is presented before offsetting additional credit commitments given to customers amounting to LBP 19,083,645 million as at 31 December 2025.

	2024								
	Maximum Exposure LBP Million	Cash Collateral and Margins LBP Million	Securities LBP Million	Guarantees Received from Banks and Financial Institutions LBP Million	Real Estate LBP Million	Vehicles LBP Million	Other Guarantees LBP Million	Risk Transfer LBP Million	Net Credit Exposure LBP Million
Balances with central banks	855,636,450	-	-	-	-	-	-	-	855,636,450
Due from banks and financial institutions	149,978,644	-	-	-	-	-	-	-	149,978,644
Derivative financial instruments	1,134,384	-	-	-	-	-	-	-	1,134,384
Financial assets at fair value through profit or loss	10,929,075	-	-	-	-	-	-	-	10,929,075
Loans and advances to customers at amortised cost	85,796,399	13,104,083	34,737,923	39,532	13,120,125	3,783	411,362	-	24,379,591
<i>Corporate and SME</i>	32,156,392	4,453,300	2,624,343	39,435	4,829,550	1,960	226,534	-	19,981,270
<i>Retail and Personal Banking</i>	53,639,003	8,650,783	32,113,580	97	8,290,575	1,823	184,828	-	4,397,317
<i>Public sector</i>	1,004	-	-	-	-	-	-	-	1,004
Loans and advances to related parties at amortised cost	361,848	157,117	-	-	192,412	-	-	-	12,319
Debtors by acceptances	635,460	111,449	-	-	-	-	-	-	524,011
Financial assets at amortised cost	112,572,327	-	-	-	-	-	-	914,973	111,657,354
Financial assets at fair value through other comprehensive income	18,522,044	-	-	-	-	-	-	-	18,522,044
Other assets	5,196,562	-	-	-	-	-	-	-	5,196,562
Contingent liabilities	27,025,437	5,308,101	393,236	247,308	25,744	9	298,515	-	20,752,524
<i>Letters of credit</i>	11,182,913	1,297,329	-	-	-	-	-	-	9,885,584
<i>Financial guarantee given to banks and financial institutions</i>	168,464	-	-	-	-	-	-	-	168,464
<i>Financial guarantee given to customers</i>	15,674,060	4,010,772	393,236	247,308	25,744	9	298,515	-	10,698,476
Total	1,267,788,630	18,680,750	35,131,159	286,840	13,338,281	3,792	709,877	914,973	1,198,722,958
Guarantees received from banks, financial institutions and customers									
Utilised collateral		18,680,750	35,131,159	286,840	13,338,281	3,792	709,877		68,150,699
Surplus of collateral before undrawn credit lines		34,288,052	141,806,521	381,255	26,113,294	1,429,003	17,906,305		221,924,430
		52,968,802	176,937,680	668,095	39,451,575	1,432,795	18,616,182		290,075,129

The surplus of collateral mentioned above is presented before offsetting additional credit commitments given to customers amounting to LBP 29,814,859 million as at 31 December 2024.

COLLATERAL AND OTHER CREDIT ENHANCEMENTS

The Group obtains collaterals during its lending activities as a protection against potential losses that may result when borrowers default on their credit obligations. The amount and type of collateral required depend usually on the obligor's creditworthiness. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Management monitors the market value of a received collateral on a regular basis and requests additional collaterals in accordance with the underlying agreement when deemed necessary.

The main types of collateral obtained are as follows:

- Securities: the balances shown represent the fair value of the securities.
- Letters of credit/guarantees: the Group holds in some cases guarantees, letters of credit and similar instruments from banks

and financial institutions, which enable it to claim settlement in the event of default on the part of the counterparty. The balances shown represent the notional amount of these types of guarantees held by the Group.

- Real estate (commercial and residential): the Group holds, in some cases, a first-degree mortgage over residential property (for housing loans) and commercial property (for commercial loans). The value shown reflects the fair value of the property limited to the related mortgaged amount.

In addition to the above, the Group also obtains corporate guarantees from parent companies for loans to their subsidiaries, personal guarantees from shareholders of the borrowing company and assignments of insurance or bills proceeds and revenues, which are not reflected in the above table.

54. MARKET RISK

Market risk is defined as the potential loss in both on-balance sheet and off-balance sheet positions resulting from movements in market risk factors such as foreign exchange rates, interest rates and equity prices.

The responsibilities of the Market Risk function are to identify, measure, monitor, control and report the market risk profile. This is achieved by efficiently applying a robust risk management framework across treasury, investment portfolio, and asset and

liability activities. The Group monitors the risk profile generated by these activities in order to ensure that it remains aligned with the approved risk policies and limits.

The Group conducts stress tests on a regular basis using various scenarios and assumptions that are deemed plausible and relevant in line with its business model and operating environment.

A. CURRENCY RISK

Foreign exchange (or currency) risk is the risk that the value of a portfolio will fall as a result of changes in foreign exchange rates. The major sources of this type of market risk are imperfect correlations in the movements of currency prices, fluctuations in interest rates and exchange rate volatility in general. The Group is subject to currency risk on financial assets and liabilities that are denominated in currencies other than the Lebanese Pound. Most of these financial assets and liabilities are in US Dollars and Euros. The Group has also

exposure to foreign currency risk through its subsidiaries that have a functional currency other than Lebanese Pounds.

As disclosed in Note 1.3, the Group's assets and liabilities in foreign currencies are valued at the official published exchange rate which does not always represent a reasonable estimate of cash flows in Lebanese Pounds that would have to be generated/used from the realisation of such assets or the payment of such liabilities.

The following tables present the breakdown of assets and liabilities of the Group by currency.

	2025					
	LBP LBP Million	USD LBP Million	EUR LBP Million	TRY LBP Million	Other LBP Million	Total LBP Million
Assets						
Cash and balances with central banks	3,191,292	748,437,087	71,947,198	-	45,740,965	869,316,542
Due from banks and financial institutions	102,523	122,534,518	11,530,675	172	18,112,400	152,280,288
Derivative financial instruments	-	140,906	158,129	-	1,223,718	1,522,753
Financial assets at fair value through profit or loss	-	30,314,206	-	-	153,771	30,467,977
Loans and advances to customers at amortised cost	356,576	53,549,006	28,258,874	138	19,706,047	101,870,641
Loans and advances to related parties at amortised cost	2,282	189,551	6,368	-	54	198,255
Debtors by acceptances	-	447,863	343,770	-	-	791,633
Financial assets at amortised cost	2,032,799	84,644,747	26,356,448	-	-	113,033,994
Financial assets at fair value through other comprehensive income	11,687,726	30,346,641	72,957	-	280,320	42,387,644
Property and equipment and right-of-use assets	21,205,201	-	480,693	-	3,938,145	25,624,039
Intangible assets	295,484	-	99,397	-	219,910	614,791
Assets obtained in settlement of debt	4,852,019	-	-	-	-	4,852,019
Other assets	346,525	4,799,789	1,069,114	-	596,941	6,812,369
Deferred tax assets	107	-	478,990	-	38,271	517,368
Goodwill	-	-	-	-	3,145,119	3,145,119
Total assets	44,072,534	1,075,404,314	140,802,613	310	93,155,661	1,353,435,432
Liabilities and shareholders' equity						
Due to central banks	2,222,338	204,280	2,652	-	-	2,429,270
Due to banks and financial institutions	12,800	10,276,336	1,597,137	-	1,459,184	13,345,457
Derivative financial instruments	-	256,343	185,588	-	702,175	1,144,106
Customers' deposits	7,481,573	993,597,504	119,155,453	6,097	32,335,367	1,152,575,994
Deposits from related parties	7,166	1,122,584	245,053	-	42,230	1,417,033
Debt issued and other borrowed funds	-	10,529,667	-	-	-	10,529,667
Engagements by acceptances	-	447,863	343,770	-	-	791,633
Other liabilities	3,369,034	6,886,624	1,452,601	-	1,863,575	13,571,834
Current tax liability	314,401	(2,555)	4,303	-	58,467	374,616
Deferred tax liabilities	2,047,620	-	-	-	77,997	2,125,617
Provisions for risks and charges	1,380,724	46,505,521	1,726,764	-	1,816,762	51,429,771
Shareholders' equity	41,024,861	21,403,845	12,808,101	-	28,463,627	103,700,434
Total liabilities and shareholders' equity	57,860,517	1,091,228,012	137,521,422	6,097	66,819,384	1,353,435,432

	2024					
	LBP LBP Million	USD LBP Million	EUR LBP Million	TRY LBP Million	Other LBP Million	Total LBP Million
Assets						
Cash and balances with central banks	4,203,212	784,760,617	59,724,714	-	16,375,999	865,064,542
Due from banks and financial institutions	132,790	123,012,258	7,966,401	2,148	18,865,047	149,978,644
Derivative financial instruments	-	86,781	457,807	-	589,796	1,134,384
Financial assets at fair value through profit or loss	6,013	12,343,951	-	-	249,378	12,599,342
Loans and advances to customers at amortised cost	354,426	42,867,205	25,326,285	131	17,248,352	85,796,399
Loans and advances to related parties at amortised cost	2,740	350,994	7,994	-	120	361,848
Debtors by acceptances	-	161,632	443,407	-	30,421	635,460
Financial assets at amortised cost	2,043,742	82,418,537	28,110,048	-	-	112,572,327
Financial assets at fair value through other comprehensive income	11,179,692	19,030,532	61,301	-	244,537	30,516,062
Property and equipment and right-of-use assets	21,100,039	-	425,756	-	3,517,241	25,043,036
Intangible assets	254,941	-	72,749	-	107,892	435,312
Assets obtained in settlement of debt	5,019,955	-	-	-	-	5,019,955
Other assets	382,338	4,548,795	580,354	-	487,451	5,998,938
Deferred tax assets	107	-	463,376	-	44,511	507,994
Goodwill	-	-	-	-	2,748,350	2,748,350
Assets held for sale	-	47,728,038	52,715,614	99,998,159	4,186,640	200,628,451
Total assets	44,679,995	1,113,309,340	176,355,536	100,000,438	64,698,801	1,499,041,044
Liabilities and shareholders' equity						
Due to central banks	2,282,189	536,875	4,804	-	-	2,823,868
Due to banks and financial institutions	16,761	12,662,162	622,616	-	10,237,388	23,538,927
Derivative financial instruments	-	157,422	429,813	56	526,743	1,114,034
Customers' deposits	5,956,274	974,317,243	102,207,530	4,788	25,230,424	1,107,716,259
Deposits from related parties	9,930	3,161,332	319,460	4,315	42,293	3,537,330
Debt issued and other borrowed funds	-	23,953,218	-	-	-	23,953,218
Engagements by acceptances	-	161,632	443,407	-	30,421	635,460
Other liabilities	1,825,630	13,417,949	1,386,166	-	1,677,635	18,307,380
Deferred tax liabilities	1,909,485	-	-	-	31,321	1,940,806
Current tax liability	1,239,754	100	6,758	-	278,568	1,525,180
Provisions for risks and charges	13,846,805	22,482,810	1,004,673	-	1,729,453	39,063,741
Liabilities held for sale	-	67,177,861	11,546,393	75,185,395	28,007,081	181,916,730
Shareholders' equity	25,834,988	21,271,013	9,382,616	12,627,973	23,851,521	92,968,111
Total liabilities and shareholders' equity	52,921,816	1,139,299,617	127,354,236	87,822,527	91,642,848	1,499,041,044

Assets and liabilities in foreign currencies presented in the tables above include onshore assets and liabilities in foreign currencies that are subject to de-facto capital controls in Lebanon, which is further explained in Note 1. These are held by entities operating in Lebanon and Management expects that they will be realised/settled without recourse to foreign currency cash and/or foreign

bank accounts outside Lebanon (“fresh funds”). Hence these cannot be perceived to have an economic value equivalent to that of offshore foreign currency assets and liabilities, and should be viewed and managed separately. The tables below detail onshore assets and liabilities in foreign currencies:

	2025			
	USD LBP Million	EUR LBP Million	Other LBP Million	Total LBP Million
Assets				
Cash and balances with central banks	741,235,248	43,116,415	615,567	784,967,230
Due from banks and financial institutions	5,648	-	-	5,648
Financial assets at fair value through profit or loss	952,390	-	-	952,390
Loans and advances to customers at amortised cost	1,407,455	1,369	-	1,408,824
Loans and advances to related parties at amortised cost	180,203	-	-	180,203
Financial assets at amortised cost	58,303,347	-	-	58,303,347
Financial assets at fair value through other comprehensive income	79,648	-	-	79,648
Other assets	3,905,393	-	-	3,905,393
Total assets	806,069,332	43,117,784	615,567	849,802,683
Liabilities				
Due to central banks	198,292	-	-	198,292
Due to banks and financial institutions	711,132	1,001	41	712,174
Customers' deposits	796,437,012	39,493,048	5,483,603	841,413,663
Deposits from related parties	697,693	9,586	5,092	712,371
Other liabilities	5,004,772	328,248	97,588	5,430,608
Provisions for risks and charges	41,002,156	-	-	41,002,156
Total liabilities	844,051,057	39,831,883	5,586,324	889,469,264

	2024			
	USD LBP Million	EUR LBP Million	Other LBP Million	Total LBP Million
Assets				
Cash and balances with central banks	776,810,000	37,937,031	573,503	815,320,534
Due from banks and financial institutions	308,342	-	-	308,342
Financial assets at fair value through profit or loss	1,206,450	-	-	1,206,450
Loans and advances to customers at amortised cost	6,642,915	251,632	-	6,894,547
Loans and advances to related parties at amortised cost	187,373	-	-	187,373
Financial assets at amortised cost	58,304,252	-	-	58,304,252
Financial assets at fair value through other comprehensive income	115,092	-	-	115,092
Other assets	3,801,752	3,115	389	3,805,256
Total assets	847,376,176	38,191,778	573,892	886,141,846
Liabilities				
Due to central banks	530,869	-	-	530,869
Due to banks and financial institutions	733,747	888	42	734,677
Customers' deposits	823,391,058	36,632,830	5,331,366	865,355,254
Deposits from related parties	1,737,331	123,758	13,872	1,874,961
Other liabilities	7,395,722	331,462	112,725	7,839,909
Provisions for risks and charges	19,806,576	-	-	19,806,576
Total liabilities	853,595,303	37,088,938	5,458,005	896,142,246

B. INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair value of financial instruments. The Group is exposed to interest rate risk as a result of mismatches of interest rate repricing of assets and liabilities. Positions are monitored on a regular basis by Management and, whenever possible, hedging strategies are used to ensure positions are maintained within established limits.

The table below shows the sensitivity of interest income to 1% parallel changes in interest rates, all other variables being held constant.

The impact of interest rate changes on net interest income is due to assumed changes in interest paid and received on floating rate

financial assets and liabilities and to the reinvestment or refunding of fixed rated financial assets and liabilities at the assumed rates. Given the prolonged nature of the Lebanese crisis and related high level of uncertainties, the Group expects the low interest rates environment for the local foreign currency to continue prevailing in Lebanon until the Gap Law is implemented and banks resume their normal operations. The Central Bank of Lebanon has already decreased interest rates used by the Lebanese banking sector through its various intermediate circulars.

The change in interest income is calculated over a 1-year period while the effect of any future associated hedges that can be implemented by the Group is not accounted for.

	Decrease in Basis Points	2025 LBP Million Decrease	2024 LBP Million Decrease
LBP	- 100	43,707	42,328
USD	- 100	3,893,282	3,662,189
EUR	- 100	52,992	25,827

The Group's interest sensitivity position based on contractual repricing arrangements is shown in the table below. The expected repricing and maturity dates may differ significantly from the contractual dates, particularly with regard to the maturity of customers' demand deposits.

	2025								
	Up to 1 Month LBP Million	1 to 3 Months LBP Million	3 Months to 1 Year LBP Million	Total Less than 1 Year LBP Million	1 to 5 Years LBP Million	Over 5 Years LBP Million	Total More than 1 Year LBP Million	Non-interest Bearing LBP Million	Total LBP Million
Assets									
Cash and balances with central banks	525,388,305	-	-	525,388,305	336,091,756	-	336,091,756	7,836,481	869,316,542
Due from banks and financial institutions	99,786,164	36,696,140	14,256,471	150,738,775	-	-	-	1,541,513	152,280,288
Derivative financial instruments	1,522,753	-	-	1,522,753	-	-	-	-	1,522,753
Financial assets at fair value through profit or loss	11,966,690	3,450,004	6,135,531	21,552,225	6,237,250	1,383,538	7,620,788	1,294,964	30,467,977
Loans and advances to customers at amortised cost	32,953,776	47,522,922	17,706,466	98,183,164	2,052,844	1,383,984	3,436,828	250,649	101,870,641
Loans and advances to related parties at amortised cost	14,041	5,441	26,240	45,722	131,604	20,738	152,342	191	198,255
Financial assets at amortised cost	2,167,456	2,421,104	36,680,221	41,268,781	71,056,239	-	71,056,239	708,974	113,033,994
Financial assets at fair value through other comprehensive income	894,387	3,845,009	3,078,839	7,818,235	19,847,174	1,371,329	21,218,503	13,350,906	42,387,644
Total assets	674,693,572	93,940,620	77,883,768	846,517,960	435,416,867	4,159,589	439,576,456	24,983,678	1,311,078,094
Liabilities									
Due to central banks	8,641	26,684	47,687	83,012	2,107,041	228,769	2,335,810	10,448	2,429,270
Due to banks and financial institutions	7,903,835	340,699	544,694	8,789,228	3,733,855	822,321	4,556,176	53	13,345,457
Derivative financial instruments	1,144,106	-	-	1,144,106	-	-	-	-	1,144,106
Customers' deposits	1,075,372,688	40,533,956	33,260,162	1,149,166,806	469,976	2,624,614	3,094,590	314,598	1,152,575,994
Deposits from related parties	1,278,331	92,664	21,892	1,392,887	180	2,086	2,266	21,880	1,417,033
Debt issued & other borrowed funds	-	-	-	-	10,428,472	-	10,428,472	101,195	10,529,667
Lease liabilities	-	24,164	72,955	97,119	372,760	26,696	399,456	-	496,575
Total liabilities	1,085,707,601	41,018,167	33,947,390	1,160,673,158	17,112,284	3,704,486	20,816,770	448,174	1,181,938,102
Interest rate sensitivity gap	(411,014,029)	52,922,453	43,936,378		418,304,583	455,103			
Cumulative gap	(411,014,029)	(358,091,576)	(314,155,198)		104,149,385	104,604,488			

	2024								
	Up to 1 Month LBP Million	1 to 3 Months LBP Million	3 Months to 1 Year LBP Million	Total Less than 1 Year LBP Million	1 to 5 Years LBP Million	Over 5 Years LBP Million	Total More than 1 Year LBP Million	Non-interest Bearing LBP Million	Total LBP Million
Assets									
Cash and balances with central banks	480,552,841	36,857,994	-	517,410,835	336,373,076	-	336,373,076	11,280,631	865,064,542
Due from banks and financial institutions	104,774,690	16,139,542	26,465,220	147,379,452	984,613	-	984,613	1,614,579	149,978,644
Derivative financial instruments	1,134,384	-	-	1,134,384	-	-	-	-	1,134,384
Financial assets at fair value through profit or loss	10,929,075	-	-	10,929,075	-	-	-	1,670,267	12,599,342
Loans and advances to customers at amortised cost	39,646,850	25,894,947	17,639,273	83,181,070	1,817,230	290,461	2,107,691	507,638	85,796,399
Loans and advances to related parties at amortised cost	494	4,599	17,944	23,037	287,048	49,052	336,100	2,711	361,848
Financial assets at amortised cost	2,313,815	6,932,526	19,321,448	28,567,789	83,347,435	-	83,347,435	657,103	112,572,327
Financial assets at fair value through other comprehensive income	-	-	4,011,008	4,011,008	14,301,209	-	14,301,209	12,203,845	30,516,062
Total assets	639,352,149	85,829,608	67,454,893	792,636,650	437,110,611	339,513	437,450,124	27,936,774	1,258,023,548
Liabilities									
Due to central banks	47,786	85,782	156,902	290,470	2,402,707	120,250	2,522,957	10,441	2,823,868
Due to banks and financial institutions	17,007,921	66,058	819,334	17,893,313	4,015,232	1,630,333	5,645,565	49	23,538,927
Derivative financial instruments	1,113,874	-	-	1,113,874	-	-	-	160	1,114,034
Customers' deposits	1,021,076,964	46,556,117	36,656,215	1,104,289,296	1,150,698	1,770,383	2,921,081	505,882	1,107,716,259
Deposits from related parties	3,250,698	95,235	23,589	3,369,522	157,683	5,099	162,782	5,026	3,537,330
Debt issued & other borrowed funds	-	-	13,425,000	13,425,000	10,428,472	-	10,428,472	99,746	23,953,218
Lease liabilities	-	20,552	58,859	79,411	375,084	-	375,084	-	454,495
Total liabilities	1,042,497,243	46,823,744	51,139,899	1,140,460,886	18,529,876	3,526,065	22,055,941	621,304	1,163,138,131
Interest rate sensitivity gap	(403,145,094)	39,005,864	16,314,994		418,580,735	(3,186,552)			
Cumulative gap	(403,145,094)	(364,139,230)	(347,824,236)		70,756,499	67,569,947			

C. PREPAYMENT RISK

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected. This is applicable for example on fixed rate loans when market interest rates fall.

In Lebanon and following the severe devaluation of the local currency in the parallel market and prevalence of multiple exchange rates, prepayment activities in the lending portfolio accelerated at the onset of the Lebanese crisis. However, in view of the quasi-absence of any local interest rate benchmarks due to the crisis and given that the Bank in Lebanon prioritised the implementation of a

de-risking strategy for loan exposures granted pre- October 2019, the Group considers the impact of prepayment risk resulting from these transactions to be negligible.

For new lending in international dollars in Lebanon and lending activities conducted by the Group's subsidiaries, market risks that could lead to prepayments are regarded as immaterial. Accordingly, the Group considers the impact of prepayment risk on net profits to be insignificant after considering any penalty fees received on prepayment activities, when existing.

D. EQUITY PRICE RISK

Equity price risk is the risk that the value of a portfolio will fall as a result of a change in stock prices. Risk factors underlying this type of market risk are a whole range of various equity (and index) prices corresponding to different markets (and currencies/maturities) in which the Group holds equity-related positions.

Given the Group's very low risk appetite for this type of risk and whenever equity exposures exist, the Group sets tight limits on such exposures and the types of equity instruments that are allowed. Nevertheless, depending on the complexity of financial instruments, equity risk can be measured in terms of market value

of a stock or index position, and also in terms of price sensitivities, such as the sensitivity of the value of a portfolio to changes in the underlying asset's price.

Equity price risk exposure arises from equity securities classified at fair value through other comprehensive income. A 5 percent increase in the value of the Group's equities at 31 December 2025 would have increased cumulative changes in fair value by LBP 574,300 million (2024: LBP 557,882 million). An equivalent decrease would have resulted in an equivalent but opposite impact.

55. LIQUIDITY RISK

Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due under both normal and stressed.

The Group manages liquidity at each entity level independently while keeping oversight of intra-group dependencies, when existing. The Group recognizes that its ability to meet its liquidity

requirements, including its international commitments, may come under increasing pressure under a deteriorating operating environment. Following October 2019 events, the Bank's foreign currency liquidity in Lebanon was subject to an unprecedented pressure, which led Management to implement a series of remedial measures to address this challenge.

Risk function conducts daily monitoring of international liquidity positions for major applicable currencies and regularly submits ALM Risk reports to ALCO showing changes in liquidity positions as well as the evolution of key internal and regulatory liquidity risk metrics.

The Board and BGRC receive updates on the liquidity risk profile of each banking unit at least quarterly.

LIQUIDITY STRESS TESTS

The liquidity position is assessed under various scenarios, including simulation of Group-specific and market-wide crises. The stress scenarios are applied to both on-balance sheet and off-balance sheet commitments to provide a comprehensive view of potential liquidity impact.

Scenarios may include, among others, the following assumptions:

- Significant withdrawals of deposits.
- Significant withdrawals of undrawn and committed credit lines.
- Significant reduction in assets that are eligible as collateral.

LIQUIDITY RISK POLICIES

The Group has put in place policies and measures for monitoring and managing liquidity risk. These include setting up remedial actions to be taken in response to potential liquidity stress events.

LIQUIDITY RATIOS

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and the Group specifically. In Lebanon, the Group monitors on a regular basis the coverage of available international foreign currency liquidity relative to external accounts over various time horizons.

Since the onset of the Lebanese crisis, the Central Bank of Lebanon has introduced various requirements. Among these measures, Lebanese banks are required to maintain international liquidity in the form of banknotes, current account balances with foreign correspondent banks (free of any obligation) and investment-

Among these policies is the Asset Liability Management (ALM) Risk Policy, which is reviewed by ALCO and submitted to the Board Risk Committee for review.

grade international bonds in excess of 100% of external account deposits and other international commitments (including issued letter of credits and letter of guarantees in international dollars). Additionally, Lebanese banks should maintain a minimum net free liquidity balance (after covering external accounts and international commitments previously mentioned), in addition to the fair value of Lebanese Eurobonds holding in excess of 3% of their total foreign-currency deposits (excluding external accounts) as at 30 June 2025. Banks whose situation is incompatible with the provisions of the paragraph above are granted a time-limit ending on 30 June 2026 to adjust their situation accordingly.

SOURCES OF FUNDING

Customers' deposits were the main funding source of the Group as at 31 December 2025 and 2024. The distribution of sources and the maturity of deposits are actively monitored in order to avoid high concentration of deposits by maturity and size. The Group monitors the percentage of core deposits to total deposits and aims to maintain this percentage at a high level.

The Group stresses the importance of customers' deposits as source of funds to finance its lending activities. This is monitored by using the advances to deposits ratio which compares loans and advances to customers as a percentage of clients' deposits.

	LBP		Foreign Currencies	
	2025 %	2024 %	2025 %	2024 %
Year-end	5	6	9	8
Maximum	6	14	9	14
Minimum	4	6	7	7
Average	5	10	8	10

ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

The table below summarises the maturity profile of the Group's financial assets and liabilities as of 31 December based on contractual undiscounted cash flows. The contractual maturities were determined based on the period remaining to reach maturity

as per the statement of financial position's actual commitments. Repayments which are subject to notice are treated as if notice were to be given immediately.

	2025					
	Less than 1 Month LBP Million	1 to 3 Months LBP Million	3 to 12 Months LBP Million	1 to 5 Years LBP Million	Over 5 Years LBP Million	Total LBP Million
Financial assets						
Cash and balances with central banks	531,785,324	1,425,706	-	336,105,512	-	869,316,542
Due from banks and financial institutions	100,296,271	37,611,105	14,372,912	-	-	152,280,288
Derivative financial instruments	1,522,753	-	-	-	-	1,522,753
Financial assets at fair value through profit or loss	11,966,690	3,479,095	6,135,531	6,237,250	2,649,411	30,467,977
Loans and advances to customers at amortised cost	27,079,763	36,825,720	16,779,696	11,474,982	9,710,480	101,870,641
Loans and advances to related parties at amortised cost	14,242	5,467	24,738	132,505	21,303	198,255
Debtors by acceptances	87,736	506,697	151,058	287	45,855	791,633
Financial assets at amortised cost	2,174,118	2,786,181	36,748,738	71,324,957	-	113,033,994
Financial assets at fair value through other comprehensive income	894,390	4,152,774	3,078,848	19,847,228	14,414,404	42,387,644
Total financial assets	675,821,287	86,792,745	77,291,521	445,122,721	23,052,261	1,183,440,908
Financial liabilities						
Due to central banks	10,358	35,404	38,432	2,298,709	235,861	2,618,764
Due to banks and financial institutions	7,903,887	340,700	544,694	3,733,855	822,321	13,345,457
Derivative financial instruments	1,144,106	-	-	-	-	1,144,106
Customers' deposits	1,075,625,725	40,596,123	33,278,882	493,014	2,656,373	1,152,650,117
Deposits from related parties	1,300,211	92,664	21,892	180	2,086	1,417,033
Debt issued and other borrowed funds	-	-	329,972	10,647,251	-	10,977,223
Engagements by acceptances	87,736	506,697	151,058	287	45,855	791,633
Lease liabilities	-	24,164	72,955	372,760	26,696	496,575
Total financial liabilities	1,086,072,023	41,595,752	34,437,885	17,546,056	3,789,192	1,183,440,908
Net liquidity position	(410,250,736)	45,196,993	42,853,636	427,576,665	23,052,261	128,428,819

	2024					
	Less than 1 Month LBP Million	1 to 3 Months LBP Million	3 to 12 Months LBP Million	1 to 5 Years LBP Million	Over 5 Years LBP Million	Total LBP Million
Financial assets						
Cash and balances with central banks	505,744,952	37,020,567	-	337,949,630	-	880,715,149
Due from banks and financial institutions	105,346,083	16,585,598	27,167,712	984,613	-	150,084,006
Derivative financial instruments	1,134,384	-	-	-	-	1,134,384
Financial assets at fair value through profit or loss	10,543,838	-	33,142	33,142	1,989,220	12,599,342
Loans and advances to customers at amortised cost	38,510,347	15,109,650	16,381,888	13,181,110	5,441,773	88,624,768
Loans and advances to related parties at amortised cost	493	87	22,285	289,210	49,773	361,848
Debtors by acceptances	148,007	436,264	12,646	-	38,543	635,460
Financial assets at amortised cost	2,458,211	7,001,760	20,141,113	86,927,422	-	116,528,506
Financial assets at fair value through other comprehensive income	-	-	4,033,028	14,489,016	11,994,018	30,516,062
Total financial assets	663,886,315	76,153,926	67,791,814	453,854,143	19,513,327	1,281,199,525
Financial liabilities						
Due to central banks	10,810	11,746	207,441	2,280,531	313,340	2,823,868
Due to banks and financial institutions	16,801,658	23	2,294	1,064,563	5,670,391	23,538,929
Derivative financial instruments	1,114,034	-	-	-	-	1,114,034
Customers' deposits	1,021,470,618	46,685,940	36,760,414	1,150,698	1,770,384	1,107,838,054
Deposits from related parties	3,262,171	95,235	23,589	157,683	5,099	3,543,777
Debt issued and other borrowed funds	13,425,000	-	-	10,528,218	-	23,953,218
Engagements by acceptances	148,007	436,264	12,646	-	38,543	635,460
Lease liabilities	-	20,552	58,859	375,084	-	454,495
Total financial liabilities	1,056,232,298	47,249,760	37,065,243	15,556,777	7,797,757	1,163,901,835
Net liquidity position	(392,345,983)	28,904,166	30,726,571	438,297,366	11,715,570	117,297,690

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the

earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

	2025				
	Less than 3 Months LBP Million	3 to 12 Months LBP Million	1 to 5 Years LBP Million	More than 5 Years LBP Million	Total LBP Million
Financial guarantees	10,249,553	2,066,093	325,352	-	12,640,998
Other guarantees	3,475,475	1,034,852	1,246,316	-	5,756,643
Documentary credits	8,348,199	239,438	210,246	-	8,797,883
Loan commitments	18,172,385	911,260	-	-	19,083,645
	40,245,612	4,251,643	1,781,914	-	46,279,169

	2024				
	Less than 3 Months LBP Million	3 to 12 Months LBP Million	1 to 5 Years LBP Million	More than 5 Years LBP Million	Total LBP Million
Financial guarantees	12,881,591	2,749,002	211,931	-	15,842,524
Other guarantees	3,684,948	1,244,058	1,080,655	-	6,009,661
Documentary credits	8,222,522	2,865,555	94,836	-	11,182,913
Loan commitments	29,229,263	-	585,596	-	29,814,859
	54,018,324	6,858,615	1,973,018	-	62,849,957

MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below summarises the maturity profile of the Group's assets and liabilities.

The maturity profile of the assets and liabilities at 31 December 2025 is as follows:

	Less than 1 Year LBP Million	More than 1 Year LBP Million	Total LBP Million
Assets			
Cash and balances with central banks	533,211,030	336,105,512	869,316,542
Due from banks and financial institutions	152,280,288	-	152,280,288
Derivative financial instruments	1,522,753	-	1,522,753
Financial assets at fair value through profit or loss	21,581,316	8,886,661	30,467,977
Loans and advances to customers at amortised cost	80,685,179	21,185,462	101,870,641
Loans and advances to related parties at amortised cost	44,447	153,808	198,255
Debtors by acceptances	745,491	46,142	791,633
Financial assets at amortised cost	41,709,037	71,324,957	113,033,994
Financial assets at fair value through other comprehensive income	8,126,012	34,261,632	42,387,644
Property and equipment and right-of-use assets	-	25,624,039	25,624,039
Intangible assets	-	614,791	614,791
Assets obtained in settlement of debt	-	4,852,019	4,852,019
Other assets	4,854,629	1,957,740	6,812,369
Deferred tax assets	-	517,368	517,368
Goodwill	-	3,145,119	3,145,119
Total assets	844,760,182	508,675,250	1,353,435,432
Liabilities and shareholders' equity			
Due to central banks	80,469	2,348,801	2,429,270
Due to banks and financial institutions	8,789,281	4,556,176	13,345,457
Derivative financial instruments	1,144,106	-	1,144,106
Customers' deposits	1,149,481,404	3,094,590	1,152,575,994
Deposits from related parties	1,414,767	2,266	1,417,033
Debt issued and other borrowed funds	-	10,529,667	10,529,667
Engagements by acceptances	745,491	46,142	791,633
Other liabilities	10,305,268	3,266,566	13,571,834
Current tax liability	374,616	-	374,616
Deferred tax liabilities	-	2,125,617	2,125,617
Provision for risks and charges	-	51,429,771	51,429,771
Shareholders' equity	-	103,700,529	103,700,529
Total liabilities and shareholders' equity	1,172,335,402	181,100,030	1,353,435,432

The maturity profile of the assets and liabilities at 31 December 2024 is as follows:

	Less than 1 Year LBP Million	More than 1 Year LBP Million	Total LBP Million
Assets			
Cash and balances with central banks	511,464,304	353,600,238	865,064,542
Due from banks and financial institutions	148,994,032	984,612	149,978,644
Derivative financial instruments	1,134,384	-	1,134,384
Financial assets at fair value through profit or loss	10,576,980	2,022,362	12,599,342
Loans and advances to customers at amortised cost	69,145,817	16,650,582	85,796,399
Loans and advances to related parties at amortised cost	22,865	338,983	361,848
Debtors by acceptances	596,917	38,543	635,460
Financial assets at amortised cost	28,660,255	83,912,072	112,572,327
Financial assets at fair value through other comprehensive income	4,033,028	26,483,034	30,516,062
Property and equipment and right-of-use assets	-	25,043,036	25,043,036
Intangible assets	-	435,312	435,312
Assets obtained in settlement of debt	-	5,019,955	5,019,955
Other assets	4,481,135	1,517,803	5,998,938
Deferred tax assets	-	507,994	507,994
Goodwill	-	2,748,350	2,748,350
Assets held for sale	113,172,329	87,456,122	200,628,451
Assets held for sale	24,548,315	17,992,941	42,541,256
Total assets	892,282,046	606,758,998	1,499,041,044
Liabilities and shareholders' equity			
Due to central banks	229,997	2,593,871	2,823,868
Due to banks and financial institutions	16,803,975	6,734,952	23,538,927
Derivative financial instruments	1,114,034	-	1,114,034
Customers' deposits	1,104,795,177	2,921,082	1,107,716,259
Deposits from related parties	3,374,548	162,782	3,537,330
Debt issued and other borrowed funds	13,425,000	10,528,218	23,953,218
Engagements by acceptances	596,917	38,543	635,460
Other liabilities	15,738,275	2,569,105	18,307,380
Current tax liability	1,525,180	-	1,525,180
Deferred tax liabilities	-	1,940,806	1,940,806
Provision for risks and charges	-	39,063,741	39,063,741
Liabilities held for sale	151,316,042	30,600,688	181,916,730
Shareholders' equity	-	92,968,111	92,968,111
Total liabilities and shareholders' equity	1,308,919,145	190,121,899	1,499,041,044

56. NON FINANCIAL RISKS

Non-Financial Risks (including Operational, Information and Cyber Security, as well as Business Disruption risks) are administered by an independent function reporting to the Group Chief Risk Officer.

Non-Financial risks are managed across the Group based on a set of principles and standards detailed in the Board-approved Group Operational Risk Policy and the Corporate Information Security Policy. These principles and standards include at a minimum: redundancy of mission-critical systems, segregation of duties, least-privilege principle, four-eye principle, independency of employees performing controls, reconciliations, establishment of second level controls, mandatory vacations, awareness and training. Controls are also embedded within systems and formalised in policies and procedures.

Incidents are captured and analysed to identify their root causes. Based on this analysis, corrective and preventive measures are recommended to prevent future reoccurrences. Furthermore, Risk and Control Assessments (RCAs) are conducted to identify outstanding risk exposures and control vulnerabilities associated with existing or new products, processes, activities and systems. Key Risk Indicators (KRIs) are also developed and monitored periodically to detect breaches and alarming trends. Recommendations to improve the control environment are communicated to concerned parties and issues are escalated to Management as deemed necessary. Beginning 2023, a new management committee called the Audit Findings Review Committee (AFRC) was established to ensure the appropriate and timely resolution of internal audit, external audit, regulatory recommendations and findings.

The Group implements comprehensive data protection measures to safeguard personal and sensitive information. This includes adherence to applicable laws and regulations, including in particular Law no. 81/2018 (Electronic Transactions and Personal Data Law), the provisions relating to Lebanese banking secrecy, and Banque du Liban (BdL) basic circular no.146 concerning the General Data Protection Regulation (GDPR) with regard to the

processing of personal data and on the movement of such data. Measures were developed to address the protection of electronic personal data to ensure that it is secured against alteration, theft, leakage, damage, or any form of misuse, whether intentional or unintentional. Physical data on the other hand is governed by distinct security policies, archival procedures and proper retention in line with applicable legal and regulatory requirements. The Bank also ensures that third-party service providers comply with data protection requirements through contractual agreements.

To ensure the continuity and timely resumption of critical business activities due to the potential risk of system disruptions or other unforeseen events, the Group has been continuously maintaining a world-class business continuity and disaster recovery site that was awarded the Tier 4 – Fault Tolerant Certification of Design Documents and Constructed Facility. A Business Continuity Plan (BCP) was also developed and is regularly updated to minimise the risk of interruption of critical operations in case of an adverse event. Business Continuity and Disaster Recovery rehearsals are also being conducted periodically to maintain a high operational resilience.

The Group is also abreast of latest cybersecurity threats, countermeasures, technologies and tools, and is continuously implementing technical and non-technical measures to strengthen its cyber resilience posture. External expert support is sought when needed.

Major incidents, RCA findings, KRI levels, business continuity actions and, information and cybersecurity activities are reported to the Executive Committee, Board Group Risk Committee, and Board of Directors periodically.

Insurances coverage (including cybercrime insurance) is used as an additional layer of mitigation and is commensurate with the Group business activities, in terms of volume, nature and operating environment.

The restrictive measures adopted by Lebanese banks since the onset of the financial crisis, particularly with respect to withdrawals and transfers abroad, have exposed the banking sector, including the Bank, to increased litigation in Lebanon and in certain foreign jurisdictions. While litigation is inherent to the banking business and the Bank has established procedures to manage such matters, claims arising from these exceptional circumstances largely stem from factors beyond the Group's control.

Litigations related to the crisis are addressed on a case-by-case basis, with Management closely monitoring their potential impact. In this context, the Group continues to emphasize the need for a comprehensive legislative framework capable of addressing the unconventional legal disputes arising from the current exceptional circumstances affecting the Lebanese banking sector.

During the recent period, the number of new cases filed against the Bank has declined. Several rulings have been issued in favor of the Bank, while certain foreign courts have declined jurisdiction over claims involving cross-border matters.

There are still uncertainties related to the consequences of these restrictive measures, based on the current available information and the prevailing laws and local banking practices. Management considers that they may affect negatively the liquidity of the Group (refer to Note 49). The amount cannot be determined presently.

At the balance sheet date, shares owned by the Bank in certain local and foreign subsidiaries were placed under seizure, by court orders in relation to litigations raised by customers for the transfer of funds abroad. Also, amounts held by the Bank at foreign correspondent banks especially in France are being subject to conservatory seizures (Note 18).

Complaints have also been filed by groups of individuals against "Lebanese banks" and the chairmen of their board of directors for alleged committed crimes of tort and fraudulent bankruptcy, money laundering, fraud and breach of trust, which resulted in different legal decisions and actions on several banks. With respect to Bank Audi SAL, the Bank was the target of restraining orders preventing it from disposing of its assets (Notes 26 and 28) in addition to accusations of violation of the banking secrecy law. Bank Audi SAL has sought legal expertise on the matter: common

consensus converges toward the fact that the claims are baseless and with no legal grounds.

On 4 May 2023, a decision was rendered by the Disciplinary Council of Judges in Lebanon to suspend and dismiss the Public Prosecutor of Appeal in Mount Lebanon, noting that the decision is subject to the Supreme Disciplinary Authority. At present, the case is with the Judge of Instruction, and Management and its legal counsels are in the opinion that the case will be dismissed for the lack of legal grounds.

Class-action lawsuit was filed by Lebanese depositors against certain Lebanese banks. The lawsuit is still at the initial stage and was just deposited for now to be approved as a class-action lawsuit in the US. The request is now different as they are not requesting cross-border transfer, but they are asking for damages resulting mainly for the violation of the Racketeer Influenced and Corrupt Organisations ACT (RICO ACT). On 29 April 2026, the Court has granted the Banks' Motions to Dismiss for lack of personal jurisdiction. This comes in line with all previous decisions rendered by US court for lack of personal jurisdiction. The client can still appeal the decision.

In addition, the Group may, from time to time, become involved in other legal or arbitration proceedings which may affect its operations and results. Litigation risk arises from pending or potential legal claims against the Group (Note 49).

58. POLITICAL RISK

External factors which are beyond the control of the Group, such as political developments and government actions in Lebanon (Note 1) and other countries, may adversely affect the operations of the Group, its strategy and prospects. Other important political risk factors include government intervention on the Group's activities and social developments in the countries in which the Group operates, political developments in Lebanon, and political

or social unrest or military conflict in neighbouring countries and/or other overseas areas. Given the above, the Group recognises that unforeseen political events can have negative effects on the fulfilment of contractual relationships and obligations of its customers and other counterparties which will result in significant impact on Group's activities, operating results and position.

57. LITIGATION RISK

At year-end, the Group had several unresolved legal claims in Lebanon and abroad, mainly those relating to the restrictive measures in place with respect to the withdrawal of funds and transfers abroad and a civil action filed in US federal courts in the US District Court in the Eastern District of New York (EDNY) against eleven Lebanese banks including Bank Audi sal, asserting primary and secondary liability claims under the "Justice Against Sponsors of Terrorism Act (JASTA)" and the "Anti-Terrorism Act (ATA) which allow U.S. citizens to seek compensation from individuals or entities that provide material support to terrorist organizations even if the alleged acts occurred outside the United States. The lawsuit is currently in the discovery phase after courts denied the banks' motions to dismiss. In September 2025, the Joint Defense Group filed a new motion to dismiss. A decision is expected this year.

59. CAPITAL MANAGEMENT

The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Central Bank of Lebanon, which is the lead supervisor of the Group.

Central Bank of Lebanon Intermediate Circular 567, issued on 26 August 2020, Intermediate Circular 649, issued on 24 November 2022, Intermediate Circular 659, issued on 21 January 2023, Intermediate Circular 685, issued on 28 December 2023, Intermediate Circular 689 issued on 2 February 2024, Intermediate Circular 726 issued on 6 February 2025, Intermediate Circular 740 issued on 29 August 2025, Intermediate Circular 741 issued

on 10 September 2025 and Intermediate Circular 760 issued on 4 May 2026 introduced several key changes to the calculation of regulatory capital adequacy ratios. These changes include:

- Raising the regulatory expected credit loss level for Lebanese government securities in foreign currency and Lebanese government-related exposures in same currency from 9.45% to 45% initially and then again to 75% (the latter level to be reached by 31 December 2026). Regulatory ECL for other exposures remain unchanged. These levels remained applicable in 2025.

Type of financial instrument	2025	2024
Exposures to Central Bank of Lebanon in foreign currency	1.89%	1.89%
Exposures to Central Bank of Lebanon in Lebanese Pounds	0%	0%
Lebanese government securities in foreign currency	75%	75%
Lebanese government securities in Lebanese Pounds	0%	0%

- Requesting banks to increase their own funds (capital) by an amount equivalent to 20% of their Common Equity Tier 1 capital as of 31 December 2018, through issuing new foreign currency capital instruments, as well as other approaches that meet the criteria for inclusion as regulatory capital. The deadline for raising capital was initially set at 31 December 2020 but was later extended for the banking sector to 28 February 2021. The Central Bank of Lebanon's Central Council may exceptionally approve a bank's completion of 50% of the 20% required capital increase through the transfer of real estate assets owned by the shareholders to the concerned bank. However, these real estate assets must be liquidated during a 5-year period following regulatory approval date on this transaction.

- Inclusion of gains from Foreign Currency Translation Adjustments in Common Equity Tier 1, effective from 2023 whereas regulation prior to amendments brought by Intermediate Circular 689 included only losses from Foreign Currency Translation Adjustments in Common Equity Tier 1 and 50% of gains in Tier 2 capital.

- Inclusion of 75% of cumulative change in the fair value of financial instruments classified at FVTOCI in Common Equity Tier 1, instead of 50% of the gain in Tier 2, as was the case previously.

- Inclusion of 75% of revaluations gain of owned real estate properties under articles 153 and 154 of the Code of Money and Credit in Common Equity Tier 1 subject to Central Bank verification and completion by 31 December 2026. Revaluation must be in fresh USD and recorded in LBP at specified rates (LBP 1,507.5 to the US Dollar until 31 January 2023; LBP 15,000 to the US Dollar until 31 January 2024; LBP 89,500 to the US Dollar until 31 May 2025; and at the official platform rate from 1 June 2025 onward).

The following table shows the applicable regulatory capital ratios:

	Common Tier 1 Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio
31 December 2025			
Minimum required capital ratios (waiver from capital conservation buffer)	4.50%	6.00%	8.00%
With the full capital conservation buffer of 2.5% (applicable in 2026)	7.00%	8.50%	10.50%
31 December 2024			
Minimum required capital ratios	4.50%	6.00%	8.00%
With the full capital conservation buffer of 2.5% (applicable in 2026)	7.00%	8.50%	10.50%

- Exceptionally during 2020 and 2021, allowing banks to draw down the 2.5% capital conservation buffer on condition of rebuilding it progressively starting 2022 by not less of 0.75% each year, to reach the minimum required level of 2.5% by the end of 2024. Following issuance of BDL Intermediate Circular 689, 740 and 760, Banks were once again allowed to draw down completely the 2.5% capital conservation buffer in 2023, 2024, 2025, and 2026.

- Prohibiting banks from distributing dividends if capital adequacy ratios drop below 7% for Common Equity Tier 1, 10% for Tier 1 and 12% for total capital (compared to the regulatory minimum limits of 7%, 8.5% and 10.5% respectively, including a 2.5% capital conservation buffer).

- Exceptionally for 2020 and 2021, allowing the Bank to include provisions for expected credit losses on Stage 1 and 2 exposures, excluding those relating to Lebanese sovereign and the Central Bank of Lebanon, under regulatory Common Equity Tier 1 (previously only Stage 1 allowances were included in Tier 2 capital, subject to a 1.25% cap relative to credit risk-weighted assets). Such provisions included under CET 1 should be amortised over a period of 3 years starting 2022 and ending in 2024 by 25% yearly.

- Exceptionally authorizing Banks the inclusion in Tier 2 of provisions for risk and charges, treated as General Provisions, up to a limit of 1.25% of Credit Risk-Weighted assets. 31 December 2025, the amount of General Provisions included in Tier 2 amounted to LBP 11,622,962 million (31 December 2024: LBP 12,489,668 million).

	2025 LBP Million	2024 LBP Million
Risk-weighted assets:		
Credit risk	987,080,763	1,153,899,775
Market risk	23,554,655	55,276,600
Operational risk	60,887,633	94,650,010
Total risk-weighted assets	1,071,523,051	1,303,826,385

The regulatory capital including net loss for the year as of 31 December is as follows:

	2025 LBP Million	2024 LBP Million
Tier 1 capital	83,666,959	73,266,932
Of which: Common Tier 1	82,762,459	72,362,432
Tier 2 capital	12,338,509	23,545,709
Total capital	96,005,468	96,812,641

The capital adequacy ratio including net profit/loss for the year as of 31 December is as follows:

	2025	2024
Capital adequacy – Common Tier 1	7.72%	5.55%
Capital adequacy – Tier 1	7.81%	5.62%
Capital adequacy – Total capital	8.96%	7.43%

The capital adequacy ratios as at 31 December 2025 and 31 December 2024 were calculated based on the recorded figures and do not take into consideration the adjustments that may result from the resolution of the uncertainties reflected in Note 1. Due to the high levels of uncertainties, the lack of observable reliable indicators, and the lack of visibility on the government's plans with respect to: (a) the high exposures of Lebanese banks with the Central Bank of Lebanon, (b) the Lebanese sovereign

securities, and (c) the currency exchange mechanisms and currency exchange rates that will be applied on foreign currencies subject to defacto capital controls, Management is unable to estimate in a reasonable manner the impact of these matters on the Group's capital adequacy. Management has concerns about the effects that the above matters will have on the capital of the Group and the recapitalisation needs that may arise once the necessary adjustments are determined and recorded.

60. SUBSEQUENT EVENTS

GEOPOLITICAL TENSIONS

Subsequent to the reporting date, geopolitical tensions in parts of the Middle East have increased. Starting February 2026, Lebanon experienced armed attacks that have escalated, causing widespread displacement and extensive damage to local establishments and infrastructure. This armed conflict, along with its spillover effects, has further strained Lebanon's already crisis-affected economy, negatively impacting business operations, as well as the income and revenues of both the private and public sectors and individuals. A temporary partial ceasefire was declared on 16 April 2026 and has since been extended beyond the initial timeframe.

These developments arose after the reporting period and have therefore been assessed as non-adjusting events in accordance with IAS 10 Events after the Reporting Period.

Accordingly, no adjustments have been made to the amounts recognised in the consolidated financial statements as at 31 December 2025, which reflect conditions existing at that date.

The Group has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.



Management



1. BANK AUDI sa MANAGEMENT

Chair

Mr. Samir N. HANNA	Chair of the Board of Directors <i>(until Jan. 13, 2026)</i>
Mrs. Sherine R. AUDI	Chair of the Board of Directors <i>(effective Jan. 13, 2026)</i>

Executive Committee

Mr. Khalil I. EL DEBS <i>(Chair)</i>	Chief Executive Officer
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Mr. Hassan A. SALEH	Deputy Chief Executive Officer
Mr. Michel E. ARAMOUNI	Chief Capital Markets Officer
Mr. Mouayed C. MAKHLOUF	Chief Wholesale and Institutional Banking Officer

Mr. Elias L. ABOUSLEIMAN	Chief Financial Officer
Dr. Marwan S. BARAKAT	Chief Economist & Head of Research
Dr. Farid F. LAHOUD	Chief Compliance & Governance Officer
Mr. Antoine N. NAJM	Chief Risk and Credit Officer
Mr. Fady A. OBEID	Chief Information & Operations Officer

Central Departments & Business Functions

Mr. Robert G. ABED	Chief of Staff
Mrs. Marion E. ABOU-JAOUDE	Head of Marketing & Communications
Mrs. Marcelle R. ATTAR	Head of Information Technology
Mrs. Carol J. AYAT	Head of Large Corporates & Specialized Lending
Mr. Mohamad G. BAYDOUN	Head of Corporate & Commercial Banking
Mrs. Peggy S. BAZ	Chief Legal Officer
Mr. Marc M. FAHL	Deputy Chief Financial Officer
Mr. Gebran Y. GEBRAN	Deputy CEO of "neo by Bank Audi"
Mr. Shant A. KHANJIAN	Head of Organization
Mrs. Nayiri H. MANOUKIAN	Chief Human Resources Officer
Mr. Antoine G. MEOUCHY	Head of Risk Management
Mrs. Rana S. NASSIF	Chief Internal Audit Officer
Mrs. Riwa F. MAHFOUZ	Head of Credit
Mr. Bechara E. SERHAL	Chief Treasury Officer
Mrs. Ghina M. DANDAN	Chief Customer Officer
Mr. Rabih E. BERBERY	Deputy Chief Customer Officer – Business Banking
Mrs. Grace E. EID	Deputy Chief Customer Officer – Personal Banking

Financial Institutions & Correspondent Banking

Mr. Gabriel A. DROUBY	Head of Financial Institutions & Correspondent Banking
	Tel: (961-1) 952405. E-mail: gabriel.drouby@bankaudi.com.lb

Investor Relations

Ms. Sana M. SABRA	Head of Investor Relations and Strategic Projects Management
	Tel: (961-1) 977496. E-mail: sana.sabra@bankaudi.com.lb

2. ENTITIES' MANAGEMENT

2.1. BAPB HOLDING LIMITED

CYPRUS

Board of Directors

Mr. Elias L. ABOUSLEIMAN	Member
Mr. Marc J. AUDI	Member
Mr. Khalil I. EL DEBS	Member
Mr. Alkis I. KAILOS	Member
Dr. Farid F. LAHOUD	Member
Mr. Mouayed C. MAKHLOUF	Member
Mrs. Evdokia A. Stavradi	Member
Alter Domus Services Limited	Company Secretary

2.1.1. BANQUE AUDI (SUISSE) SA

SWITZERLAND

Board of Directors

		Member of the Audit & Risk Committee	Member of the Remuneration Committee
Mr. Marc J. AUDI	Chair		•
Mr. François P. TOBLER <i>(since Dec. 2025)</i>	Vice-Chair		
Mr. Khalil I. EL DEBS	Member		Chair•
Mr. Christoph J. DE WECK	Member	•	
Mr. Eric J. HESS	Member	•	
Mr. Jean-Pierre R. JACQUEMOUD	Member		•
Dr. Farid F. LAHOUD	Member		
Mr. Xavier A. MÉNAIGE <i>(since Dec. 2025)</i>	Member		Chair•

Management

Mr. Youssef H. NIZAM	General Manager
Mr. Gregory K. SATNARINE	Deputy General Manager – Chief Financial Officer – Chief Operating Officer
Mrs. Rania S. ABOU EL OULA	Head of Legal & Central Files – Corporate Secretary
Mr. Maher A. MENIF	Chief Risk & Compliance Officer
Mr. Walid E. MOUKARZEL	Head of Private Banking

2.1.2. AUDI CAPITAL (KSA) cjsc

KINGDOM OF SAUDI ARABIA

Board of Directors

		Member of the Audit Committee	Member of the Nomination & Remuneration Committee
Mr. Walid A. ALMURSHED	Chair		•
Mr. Khalil I. EL DEBS	Vice-Chair – Member		
Mr. Chahdan E. JEBEYLI	Member	Chair•	
Mr. Mouayed C. MAKHLOUF	Member		Chair•
Mr. Abdulaziz M. ALDHOHEYAN	Member	•	
Mr. Tariq F. ZEDAN	Member	•	•

Management

Mr. Daniel R. ASMAR	Chief Executive Officer
Mr. Tony G. ABOU FAYSSAL	Head of Business Operations & Special Projects
Mr. Ohoud M. ALEIDDAN	Governance Manager and Board Secretary
Mr. Mohammad K. ASSAF	Head of Finance
Mr. Fadi S. CHAMI	Director – Corporate Finance Advisory and Arranging
Mr. Serge N. DAGHER	Wealth Manager – Head of Support
Mr. Elyas J. FEGHALI	Acting Head of Dealing Services
Mr. Hamdi S. ALSHAMMARI	Human Resources Manager
Mr. Khalid H. SHOBOKSHI	Head of Private Markets
Mr. Albatool A. ALTURKI	Compliance Manager and MLRO

2.2. OTHER ENTITIES

2.2.1. BANK AUDI LLC

QATAR

Board of Directors

		Member of the Audit & Risk Committee	Member of the Remuneration Committee
Mr. Khalil I. EL DEBS	Chair		Chair•
Mr. Elias L. ABOUSLEIMAN	Member	•	
Mr. Rashed Nasser S. AL-KAABI	Member		•
Mrs. Ghina M. DANDAN	Member	•	
Mr. Hassan A. SALEH	Member		•
Mr. Philippe F. EL KHOURY	Member		Chair•

Management

Mr. Chadi A. JABER	General Manager
--------------------	-----------------

2.2.2. BANK AUDI FRANCE SA

FRANCE

Board of Directors

		Member of the Audit & Risk Committee	Member of the Remuneration Committee
Ms. Sherine R. AUDI	Chair	•	
Mr. Elia S. SAMAHA	Member		
Mr. Michel E. ARAMOUNI	Member	•	•
Mr. Denis G. GILLET	Member	Chair•	•
Mr. Antoine N. NAJM	Member		
Mr. Khalil I. EL DEBS	Member		Chair•
Mr. Pierre AD. MARIANI	Member	•	•
Mr. Hassan A. SALEH	Member		

Management

Mr. Elia S. SAMAHA	General Manager – Chief Executive Officer
Mr. Wissam G. ABI SALEH	Deputy General Manager

2.2.3. LEBANON INVEST sa

LEBANON

Board of Directors

Mr. Robert G. ABED	Chair
Mr. Khalil I. EL DEBS	Member
Mr. Farid F. LAHOUD	Member
Mr. Mouayed C. MAKHLOUF	Member
Mr. Youssef H. NIZAM	Member

Management

Mr. Robert G. ABED	General Manager
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2.2.4. SOLIFAC saI

LEBANON

Board of Directors

		Member of the Risk & Audit Committee	Member of the ALCO Committee	Member of the Credit Committee	Member of the AML/CFT Committee
Mr. Robert G. ABED	Chair/General Manager	•	•	Alternate Member	
Mrs. Riwa F. SABBAH	Member	•	•	Chair	
Mr. Mohamad G. BEYDOUN	Member	•	Chair	•	•
Mr. Karl A. HADDAD	Member	•		•	•
Mr. Antoine G. MEOUCHY	Member	Chair	•		Chair

Management

Mrs. Lina F. SALEM	General Manager	•	•	•	
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Addresses



BANK AUDI sal

1.0. LEBANON

Member of the Association of Banks in Lebanon
Capital: LBP 992,878,257,468 (as at December 2025)
Consolidated shareholders' equity:
LBP 103,700,434,159,654 (as at December 2025)
C.R. 11347 Beirut
List of Banks No. 56

Headquarters

Bank Audi Plaza, Bab Idriss.
P.O. Box 11-2560 Beirut - Lebanon
Tel: (961-1) 994000.
Customer helpline: (961-1) 212120.
Swift: AUDBLBBX.
contactus@bankaudi.com.lb
bankaudigroup.com

Branches

CORPORATE BRANCHES

ASHRAFIEH – MAIN BRANCH
SOFIL Center, Charles Malek Avenue.
Tel: (961-1) 200250.
Senior Manager: Mrs. Rita M. Freiha

BAB IDRIS
Bank Audi Plaza, Omar Daouk Street.
Tel: (961-1) 977588.
Senior Branch Manager: Mrs. Patricia G. Debs

VERDUN
Verdun 2000 Center, Rashid Karamah Avenue.
Tel: (961-1) 805805.
Senior Branch Manager: Mrs. Nisrine A. Ismail

BEIRUT & NORTH LEBANON

Regional Manager: Mrs. Carole S. Abou-Jaoudeh

BADARO
Ibrahim Ghattas Bldg., Badaro Street.
Tel: (961-1) 387395.
Branch Manager: Mrs. Nayla S. Hanna

BESHARA EL-KHOURY
Banna & Sayrawan Bldg., Beshara El-Khoury Street.
Tel: (961-1) 664093.
Branch Manager: Mrs. Roula F. Ramadan

BLISS
Kanater Bldg., Bliss Street.
Tel: (961-1) 361793.
Senior Branch Manager: Ms. Rima M. Hoss

DORA
Cité Dora 1, Dora Highway.
Tel: (961-1) 255686.
Senior Branch Manager: Mr. Charles A. Berberi

HAMRA
Mrroueh Bldg., Hamra Street.
Tel: (961-1) 341491.
Senior Branch Manager: Mrs. Dima R. Chahine

JNAH
Tahseen Khayat Bldg., Khalil Moutran Street.
Tel: (961-1) 844870.
Branch Manager: Walid K. Dimachkieh

MAZRAA
Wakf El-Roum Bldg., Saeb Salam Blvd.
Tel: (961-1) 305612.
Branch Manager: Mr. Moustafa M. Anouty

SODECO
Alieh Bldg., Istiklal Street.
Tel: (961-1) 612790.
Senior Branch Manager: Ms. Rita C. Haddad

TABARIS
Saifi Plaza, Fouad Shehab Avenue & Georges Haddad Street crossroad.
Tel: (961-1) 992335-9, 990416.
Senior Branch Manager: Mrs. Raghida N. Bacha

ZARIF
Salhab Center, Algeria Street.
Tel: (961-1) 747550.
Branch Manager: Mrs. Hiba M. Kayyal

HALBA
Main Road.
Tel: (961-6) 692020.
Branch Manager: Mr. Ali A. Hammad

TRIPOLI – EL-MINA
Mandarine Bldg., Riad El-Solh Street, El-Mina Blvd.
Tel: (961-6) 205100.
Branch Manager: Mr. Ziad M. Kabbara

MOUNT LEBANON, KESROUAN, JBEIL & NORTH

Regional Manager: Mrs. Hilda G. Sadek

AJALTOUN
Bou Shaaya & Khoury Center, El-Midane.
Tel: (961-9) 234620.
Branch Manager: Mr. Pierre A. Mezher

BROUMMANA
Lodge Center, Main Road.
Tel: (961-4) 860163.
Branch Manager: Mr. Hadi M. Chaoul

ELYSSAR
Elyssar Main Road, Mazraat Yashouh.
Tel: (961-4) 913928.
Branch Manager: Mr. Fady A. Khoury

HAZMIEH
Dar Assayad Bldg., Saïd Freiha Street, Hazmieh Roundabout.
Tel: (961-5) 451850.
Branch Manager: Rachel J. Sarkis

HORSH TABET
Central Business Center, Saint Antoine de Padoue Street.
Tel: (961-1) 480483.
Branch Manager: Mrs. Hala N. Younes

JAL EL-DIB
Milad Sarkis Bldg., Main Road.
Tel: (961-4) 710393.
Branch Manager: Mrs. Nancy S. Boustany

JBEIL
Byblos Sun Bldg., Jbeil Roundabout.
Tel: (961-9) 543890.
Senior Branch Manager: Mr. Georges A. Khodr

JOUNIEH
La Joconde Center, Fouad Shehab Blvd.
Tel: (961-9) 641660.
Branch Manager: Mrs. Rana A. Khoury

MANSOURIEH
Kikano Bldg., Main Road.
Tel: (961-4) 533610.
Branch Manager: Mr. Roger D. Chami

NACCASH – DBAYEH
Naccash – Dbayeh Highway, East Side.
Tel: (961-4) 521671.
Branch Manager: Mr. Jihad H. Sfeir

RABIEH
Rabieh First Entrance, Street No. 5.
Tel: (961-4) 405950.
Branch Manager: Mrs. Nisrine N. Chidiac

ZOUK
Val de Zouk Center, Zouk Mikhael.
Tel: (961-9) 211140.
Senior Branch Manager: Mr. Chady F. Kassis

AMYOUN
Main Road.
Tel: (961-6) 955600.
Branch Manager: Mrs. Theodora A. Bachawaty

BATROUN
Batroun Square Center, Main Road No. 7.
Tel: (961-6) 642371.
Branch Manager: Mrs. Houda A. Azar

SOUTH LEBANON, BEKAA & BEIRUT SUBURBS

Regional Manager: Mr. Nagib A. Cheaib

ALEY
Beshara El-Khoury Road (near Aley Club), Aley.
Tel: (961-5) 556902.
Branch Manager: Mr. Alaa Y. Azzam

GHOBEYRI
Hoteit Bldg., Shiyah Blvd., Mousharrafieh Square.
Tel: (961-1) 541125.
Branch Manager: Mrs. Lina A. Hayek

KHALDEH
Lebanese Commercial Mall, Saida Highway.
Tel: (961-5) 801988.
Branch Manager: Mrs. Rana N. Mecharrafieh

NABATIEH
Office 2000 Bldg., Hassan Kamel El-Sabbah Street.
Tel: (961-7) 767812.
Branch Manager: Mr. Mohamad H. Noureddine

SAIDA – EAST
Dandashli Bldg., Eastern Blvd.
Tel: (961-7) 751885.
Branch Manager: Mrs. Sherine M. Assaad

SAIDA – SOUTH
Moustapha Saad Street.
Tel: (961-7) 728601.
Senior Branch Manager: Mr. Mohamad M. Bizri

TYRE ABBASSIEH
Tyre North Entrance, Main Road, Abbassieh.
Tel: (961-7) 741830-1-2-3.
Branch Manager: Mrs. Mounira E. Khalife

SHTAURA
Daher Bldg., Main Road.
Tel: (961-8) 542960.
Branch Manager: Ms. Zeina H. Hajj

ZAHLEH
Beshwati Bldg., El-Boulevard.
Tel: (961-8) 813592.
Branch Manager: Mrs. Mona K. Doummar

DIGITAL BRANCHES NETWORK

BANK AUDI PLAZA
Bab Idriss.

ZGHARTA
North Palace Hotel, Kfarhata.

OTHER COUNTRIES OF PRESENCE

LEBANON INVEST sal

Audi Plaza, block D
Beirut - Lebanon.
Tel: (961-1) 954 800

SOLIFAC sal

Zen Building, Charles Malek Avenue, Ashrafieh.
P.O. Box: 11-1121 Beirut - Lebanon.
Tel: (961-1) 209200.

2.0. CYPRUS

BAPB HOLDING LIMITED

Melkonian Str. 2, 5th floor, 2112,
Nicosia, Cyprus
Tel: (357-22) 46 51 51.
adcy-cs-b@alterdomus.com

3.0. SWITZERLAND

BANQUE AUDI (SUISSE) SA

Cours des Bastions 18
1205 Geneva, Switzerland.
Tel: (41-22) 704 11 11.
banqueaudisuisse.ch

Beirut Representative Office
Bank Audi Plaza, Bab Idriss.
P.O. Box: 11-2666 Beirut - Lebanon.
Tel: (961-1) 977 544.

4.0. SAUDI ARABIA

AUDI CAPITAL (KSA) cjsc

Centria Bldg. 3rd floor, Tahlia Str.,
Olaya, Riyadh
P.O. Box: 250744 Riyadh 11391
Kingdom of Saudi Arabia.
Tel: (966-11) 2199300.
contactus@audicapital.com
audicapital.com

5.0. FRANCE

BANK AUDI FRANCE sa

73, Avenue des Champs-Élysées.
75008 Paris, France.
Tel: (33-1) 53 83 50 00.
contactus@bankaudi.fr
bankaudi.fr

6.0. QATAR

BANK AUDI LLC

Authorised by the QFC Regulatory Authority
License No. 00027

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7.0. UAE

BANK AUDI sal – ABU DHABI REPRESENTATIVE OFFICE

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