

20 ANNUAL
25 REPORT



Our Roots Run
Deep, Our Vision
Runs Farther.

Banque Audi Suisse

20 ANNUAL
25 REPORT

Banque Audi Suisse

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01 MESSAGE FROM THE CHAIRMAN AND THE CEO

The year 2025 unfolded in a global environment shaped by economic uncertainty, evolving monetary policies, and persistent geopolitical tensions. In this context, Banque Audi Suisse remained focused on prudent management, transparency, and the long-term interests of our clients and their families. Throughout the year, strategic priorities were executed with discipline, while maintaining the high standards of governance and client service expected within Switzerland's demanding regulatory framework.

Global markets remained influenced by shifting monetary policy cycles and ongoing regional tensions. Lebanon, home to our parent institution, continued to face political and financial challenges, while broader developments across the MENA region affected market sentiment and the community we serve. Within this environment, Banque Audi Suisse delivered resilient financial performance, supported by disciplined balance sheet management, and stable profitability and assets under management. These results reflect the resilience of our business model and the continued confidence that our clients place in us, which we deeply value.

Nearly five decades of presence in Switzerland remain a defining pillar of the Bank's identity. Operating within one of the world's most rigorous regulatory environments has shaped a culture grounded in prudence, accountability, and operational discipline. In recent years, the institutional framework has evolved through enhanced governance, the reinforcement of the Board of Directors and Executive Management, and the further development of Compliance and Risk Control functions. These efforts support a robust operating model aligned with the expectations of regulators, clients, and stakeholders, and reflect our commitment to act responsibly for those who entrust us with their wealth.

At the same time, investment in the Bank's future development remained a priority in 2025. The teams were further enriched through the recruitment of experienced professionals from the Swiss banking sector, particularly within the front office, strengthening our ability to serve our clients and expand our presence across strategic markets.

Progress also advanced in the modernization of our digital and operational infrastructure. These investments aim to improve efficiency and further enhance the client experience, while maintaining the high standards of security and reliability that define Swiss private banking. The combination of tradition and targeted innovation provides a solid foundation for sustainable and responsible growth.

As a Swiss-regulated institution with deep regional expertise, Banque Audi Suisse occupies a distinctive position at the intersection of Swiss private banking excellence and emerging market connectivity. Strategic priorities remain centered on deepening client relationships, supporting intergenerational wealth planning, and pursuing selective growth opportunities aligned with the Bank's values, risk appetite, and long-term vision.

In 2026, Banque Audi Suisse will mark its 50th anniversary in Switzerland. This milestone reflects the depth of the Bank's legacy and the enduring relationships built with clients and partners over the decades. It will also provide an opportunity to further enhance the Bank's visibility and positioning, while celebrating this milestone with our clients, stakeholders, and teams.

We extend our sincere gratitude to our clients for their continued trust and confidence. We also thank our shareholder for its ongoing support and our employees for their professionalism, dedication, and personal commitment to serving our clients and upholding the Bank's long-term ambitions.

Looking ahead, our strong foundations and a clear sense of purpose position us well to pursue our strategic priorities and to create sustainable value over the long term.

Respectfully,

Marc J. Audi
Chairman

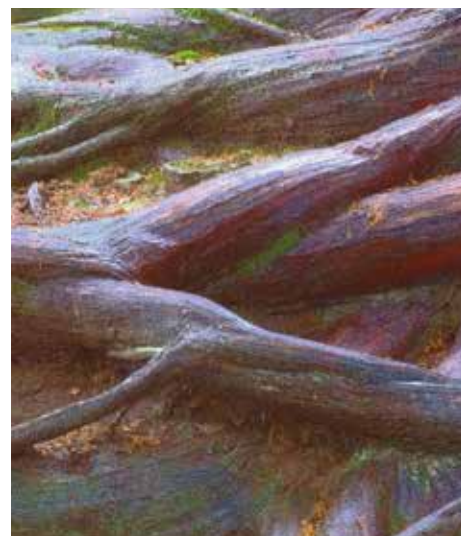
Youssef Nizam
CEO



ANNUAL REPORT

2025

MANAGEMENT



02 REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

SUMMARY

The year 2025 was marked by both opportunities and challenges for Banque Audi (Suisse) SA (the "Bank").

From a regulatory standpoint, the Bank continued its strategic investments in compliance, risk management, and internal control framework, resulting in increased operating costs. These efforts also necessitated the closure of certain client accounts to ensure the Bank maintains a high standard of compliance, and full alignment with evolving regulatory requirements.

Global financial markets delivered broad-based gains across most asset classes, with notable performance in commodities and emerging markets. Investors nevertheless had to navigate government policy shifts, tariff-driven volatility, and ongoing geopolitical uncertainty. Despite these challenges, global markets ended the year with solid overall performances, and client risk appetite remained largely intact. These favorable market outcomes were supported in particular by fiscal stimulus measures, interest rate cuts, and easing inflation concerns. However, the continued trend of declining interest rates and the depreciation of the US dollar against the Swiss franc, had a negative impact on the Bank's net income. Furthermore, the economic and monetary crisis in Lebanon continued to impact the Bank's client base and business model.

Despite this challenging operating environment, the Bank recorded a net profit of CHF 11.2 million for the year, compared to CHF 17.6 million in 2024, reflecting its resilience in a challenging environment. Operating income amounted to CHF 63.5 million, a decrease compared to CHF 66.9 million in 2024. Furthermore, operating expenses increased by CHF 3.2 million, reaching CHF 45.7 million, due to the exceptional costs recorded during the current financial year. As a result, the cost-income ratio increased from 63.6% in 2024 to 72% in 2025.

The total assets on the Bank's balance sheet increased to CHF 1.23 billion, compared to CHF 1.13 billion in 2024.

BALANCE SHEET

The increase in total Balance Sheet assets of the Bank to CHF 1.23 billion is due to a number of factors. From a source of funding perspective, customer deposits increased by CHF 155 million primarily due to the securities sales and the non-renewal of fiduciary deposits during the year. This impact of this increase was however, partially offset by the significant depreciation of the US dollar, which fell by 12% against the Swiss franc. To note that approximately one-third of the Bank's balances sheet is denominated in US dollars.

Despite the decline in interest rates observed during the year, the Lombard loan portfolio decreased by CHF 14 million primarily due to the unfavorable USD/CHF exchange rate, to CHF 349 million at the end of 2025. Furthermore, the Bank renewed only a portion of its maturing bonds, reinvesting the corresponding amounts in high-quality sovereign bonds, recognized as High Quality Liquid Assets (HQLA). Consequently, the financial investment portfolio decreased by CHF 48 million to CHF 191 million at the end of 2025.

These factors, together with a reduction in overnight deposit placements at year end, have led to a significant strengthening of the Bank's at-sight liquidity position, resulting in an increase in deposits with the Swiss National Bank, also considered as HQLA, from CHF 239 million to CHF 397 million at the end of 2025. As a result of this prudent and proactive short-term liquidity management, the liquidity coverage ratio significantly increased year-on-year to 1061%.

From an Assets under Management ("AUM") perspective, the Bank posted total AUMs of CHF 4.4 billion in 2025, compared to CHF 4.7 billion in 2024, despite positive net new money of CHF 18 million for the year 2025, principally due to foreign exchange effects, in particular, the USD/CHF depreciation and the valuation of Lebanese securities traded on the Beirut Stock Exchange in blocked US dollars, partially offset by the market appreciation of client-held securities during the year.

INCOME STATEMENT

Gross interest income decreased marginally to CHF 28.6 million in 2025, compared to CHF 29.7 million in 2024. This change principally reflects the reduction in interest rates during 2025, a lower average volume of Lombard loans than in the previous year, and the partial renewal of maturing sovereign bonds held in the Bank's nostro portfolio, resulting in a material decrease in interest income. This overall decrease was, however, almost completely offset by a significant increase in income from treasury operations, as the Bank benefited from a higher US dollar liquidity position and market opportunities.

The result from commission and service operations amounted to CHF 28.6 million, a slight decrease compared to CHF 29.1 million in 2024, primarily due to lower client transactional activity. The result from trading operations decreased by CHF 1.6 million to CHF 6.5 million. Although this result is primarily related to client foreign exchange transactions, the principal reason for the year-on-year decrease is the devaluation in Swiss francs of the Bank's financial investment portfolio which is predominantly denominated in US dollars.

Operating expenses increased by CHF 3.2 million to CHF 45.7 million. This increase is primarily due to additional headcount and external advisory and regulatory expense increases in the key areas of compliance, risk management and control, as the Bank continued its investments to strengthen these key areas. In addition, other operating expenses also increased from CHF 11.1 million to CHF 12.2 million principally due to the Bank's continued investment in IT infrastructure and related cybersecurity measures and controls to safeguard operational resilience.

ALLOCATION OF RETAINED EARNINGS

It is proposed to allocate the 2025 net profit of CHF 11.2 million to retained earnings.

At year-end 2025, after the allocation to retained earnings, shareholders equity amounts to CHF 225 million (Net Tier I capital), with a Tier I capital ratio of 61.7%. As at 31 December 2025, the Bank continues to be well-capitalized with a combined Tier I and Tier II capital of CHF 234 million and ratio of 64.2%.

03 BOARD OF DIRECTORS



MARC AUDI
CHAIRMAN OF THE BOARD

Mr. Audi has over 40 years of banking experience within the Bank Audi Group of banks. He held an executive role in the California based bank of the Group until 1993. Later he was instrumental in the rebuilding of Bank Audi sal's Lebanon business at the end of the civil war in Lebanon, leading to him becoming Deputy General Manager. In 2000 he became CEO of Banque Audi (Suisse) SA.

In 2005, upon his return to Lebanon, he became General Manager of Bank Audi sal, and played a significant role in the bank's IPO. As Lebanon Country Manager, he ran the domestic operation of the bank in its retail and commercial fields until 2019.

Mr. Audi is currently a non-executive board member of Bank Audi sal and BAPB Holding Ltd, the Cyprus-based holding company of Banque Audi (Suisse) SA. He is a member of the founding family of Bank Audi and holds a Master's degree in Business Administration from University Paris IX Dauphine.



FRANÇOIS TOBLER
VICE CHAIRMAN OF THE BOARD (INDEPENDENT*)

After obtaining a law degree from the University of Geneva and completing a banking course at Crédit Suisse, Mr. Tobler devoted the first part of his career to public affairs as Deputy Secretary General of the Department of the Interior of the State of Geneva and more specifically as Political Secretary and Chief of Staff to the Minister in charge of the said department.

He subsequently returned to the Swiss banking sector, more specifically to Compagnie de Banque et d'Investissements (CBI), a private bank that later became Union Bancaire Privée (UBP), where he served as Secretary General, before joining Banque Heritage, where he was also a member of the Executive Committee. He thus benefits from extensive experience in private banking and finance.

In addition, Mr. Tobler was Chairman of the Board of Directors of the asset management company Bastions Partners Office SA, a position he held since its inception.



XAVIER MÉNAIGE
BOARD MEMBER (INDEPENDENT*)

Mr. Ménaige is a Swiss Certified Public Accountant with over 20 years of financial services audit and advisory experience at "Big 4" audit firms in Geneva. He is the founding partner of the financial services consulting firm, MT Finance (Suisse) SA, a firm specialized in risk management and compliance services for financial institutions. He holds a FINMA licence as Responsible Auditor for audits under the Banking Act (BA), the Financial Market Infrastructure Act (FMIA), the Financial Institutions Act (FinIA) and the Financial Services Act (FinSA). As Chairman of the Audit & Risk Committee, Mr. Ménaige oversees the Bank's risk governance, financial reporting and the effectiveness of the three lines of defence.

03 BOARD OF DIRECTORS



KHALIL EL DEBS

BOARD MEMBER

Mr. El Debs is the Chief Executive Officer of Bank Audi sal since May 2024, following a 30-year tenure at the Bank. With a deep expertise in corporate and investment banking, risk management and strategic restructuring, he played a critical role in shaping the Bank's growth.

Throughout his tenure at Bank Audi sal, he built the corporate and commercial banking divisions, overseeing major client relationships while navigating complex financial environments and optimizing the core business operations. Previously, he served as Deputy Group CEO of Bank Audi sal, managing a broad portfolio that spanned Corporate and Commercial Banking, Energy and Infrastructure Financing, Private Banking, Private Equity, and the International Division, leading strategic initiatives to reinforce the bank's financial position and operational efficiency.

Mr. El Debs serves on the Board of other subsidiaries of the Group, namely Bank Audi France, Bank Audi (Qatar), Audi Capital (KSA) and BAPB Holding Ltd. He has an MBA from the Lebanese American University and is a Chartered Financial Analyst.



CHRISTOPH DE WECK

BOARD MEMBER (INDEPENDENT*)

Mr. de Weck is an Attorney at Law. He holds a Doctorate in Law from the University of Fribourg, and is admitted to the Zurich Bar and the New York Bar. He is currently a senior consultant at Aviolo Compliance Solutions GmbH, Zurich, a company specializing in compliance matters for independent asset managers. He has over 40 years of legal and compliance experience, where he has held senior executive positions in various companies.

At the beginning of his career he worked as a lawyer in commercial law firms in New York and Zurich. He then moved to the fiduciary department of the audit firm STG-Coopers & Lybrand, where he managed the trust and fiduciary units as a partner in the Zurich office. This was followed by positions in the legal and compliance departments of bank-owned trust companies in Zurich and Geneva and the functional management of the financial planning units of the six private banks of UBS Group. He also worked as a member of the management team of Swiss Life (Liechtenstein) AG, where he was responsible for legal cases, compliance and data protection.



JEAN-PIERRE JACQUEMOUD

BOARD MEMBER (INDEPENDENT*)

Attorney at Law admitted to the Geneva Bar. Mr. Jacquemoud holds a "Diplôme d'Etudes Juridiques Supérieures" from the University of Geneva, a Master's degree in Comparative Jurisprudence from the University of Texas in Austin and is admitted to the New York Bar. He has extensive financial services experience and is currently the senior partner at the law firm, Jacquemoud Stanislas in Geneva.

Mr. Jacquemoud also serves on the Board of Directors of various other companies in Switzerland, both within and outside of the financial services sector.

03 BOARD OF DIRECTORS



ERIC HESS

BOARD MEMBER (INDEPENDENT*)

Mr. Hess is an Attorney at Law. He obtained a law degree from the University of Geneva in 1986 and was admitted to the Geneva Bar in 1988, following which he worked as an associate in several Geneva law firms, then as a partner, practicing independently since 1999. In 2014, he founded his own law firm, Saint-Léger Avocats. His practice focuses primarily on private and criminal law, as well as commercial, wealth and inheritance law. Mr. Hess specializes in economic criminal law and international legal assistance, as well as in banking law and compliance management.

In addition to his work as an attorney, Mr. Hess has also been an assistant to the Criminal Law Department of the University of Geneva, as well as a deputy judge on the Supervisory Board of the Bankruptcy and Insolvency Offices ("Commission de Surveillance des Offices des Poursuites et des Faillites").

Since 2011, he has also been a deputy judge at the Criminal Court of Geneva, active in the Police Court and the Correctional Court. He also serves on several other Boards of Directors, including several Geneva foundations.



FARID LAHOUD

BOARD MEMBER

Mr. Lahoud currently serves as the Chief Compliance Officer and Corporate Secretary of Bank Audi sal. He is also a non-executive board member of BAPB Holding Ltd.

He joined Bank Audi sal in November 1991, moving from Gerrard and National, a leading London-based discount house. Prior to his current appointments, he played a senior role in the origination and structuring of various financial instruments, including debt programs, bank capital instruments, hybrid equity issuance, and asset-backed securities programs. In addition to his corporate roles, Mr. Lahoud is a former Member of the Oversight Advisory Committee of UNESCO. He also served as Chair of the Oversight Advisory Committee of the UN World Health Organization from 2014 to 2016.

Mr. Lahoud holds a Doctorate in Business Administration from ESA Business School in partnership with Paris I Panthéon-Sorbonne. He also holds a Master's degree in Business Administration from the City University of London and a Bachelor's degree in Engineering from the American University of Beirut.

AUDIT & RISK COMMITTEE

Xavier Ménaige (Chairman)

Christoph De Weck

Eric Hess

REMUNERATION COMMITTEE

Khalil El Debs (Chairman)

Marc J. Audi

Jean-Pierre Jacquemoud

04 EXECUTIVE COMMITTEE



YOUSSEF NIZAM
CHIEF EXECUTIVE OFFICER

Mr. Nizam holds a Bachelor degree in Computer and Communications Engineering and a Master's degree in Engineering Management (Financial Engineering) from the American University of Beirut. He is also a Chartered Financial Analyst and a certified Financial Risk Manager.

He was the Global Head of Private Banking of the Bank from May 2021 until December 2023, following over 12 years of Wealth Management experience in Bank Audi Group in Saudi Arabia and Lebanon. Mr. Nizam started his career in 1996 at the Central Bank of Lebanon.

Mr. Nizam became the Chief Executive Officer (CEO) and Chairman of the Executive Committee of the Bank in January 2024. He is responsible for the day-to-day management of the Bank, and the development of business strategies and plans, ensuring full alignment with short-term and long-term business objectives.



GREG SATNARINE
CFO / COO, DEPUTY CEO

Mr. Satnarine holds a Bachelor's degree in Economics, Accounting & Finance from the London School of Economics & Political Science and is a qualified Chartered Accountant (ACA) from the United Kingdom (ICAEW).

In 1989, Mr. Satnarine started his career as an auditor at Grant Thornton (formerly RSM Robson Rhodes) within the Financial Services team. In 1996 he took the role of EMEA Head of Private Client Internal Audit at Merrill Lynch & Co., following which he acted in a number of senior regional management internal audit roles (for both private and institutional clients) before accepting the role of Chief Financial Officer for Merrill Lynch Banque Suisse SA, Geneva, in 2003. He was subsequently promoted to Chief Administrative Officer and Deputy CEO. From 2008 to 2014 he served as the Chief Financial Officer and Chief Operating Officer of a small Swiss private bank based in Geneva.

Mr. Satnarine has been Chief Financial Officer & Chief Operating Officer and a member of the Bank's Executive Committee since November 2014. He is responsible for Finance, Credit, Operations, IT, Human Resources and General Services, and is also the Responsible Officer for FATCA/CRS and Qualified Intermediary matters. He was appointed Deputy CEO of the Bank in January 2024.



RANIA ABOU EL OULA
HEAD OF LEGAL, CENTRAL FILE AND SECRETARY GENERAL

Mrs. Abou El Oula holds a Bachelor's and a Master's degree in Law from Saint Joseph University in Beirut and began her career as a lawyer at one of the most prestigious law firms in Beirut where she developed a strong foundation in banking and corporate law.

She joined the Bank Audi Group in 2003 as Legal Counsel for its private banking subsidiary in Lebanon.

Over the years, she assumed increasingly senior executive roles with Bank Audi Group, serving as Head of Legal and Compliance and Head of Governance of its private banking subsidiary in Lebanon and, ultimately as Chief Executive Officer of a regulated financial institution within the Group.

Through these roles, Mrs. Abou El Oula acquired experience in banking practices, regulatory requirements and corporate governance. Mrs. Abou El Oula has been the Bank's Corporate Secretary since 2022 and was appointed as Head of Legal, Central File and Corporate Secretary and as a member of the Executive Committee in September 2023. She is responsible for advising the Bank on legal and regulatory matters, for supporting the Executive Committee, the Board and its committees, managing governance processes and ensuring alignment with regulatory standards and internal policies related to the Bank's corporate records and client's documentation.

04 EXECUTIVE COMMITTEE



MAHER MENIF

CHIEF RISK AND COMPLIANCE OFFICER

Mr. Menif is a Canadian Chartered Accountant (CPA-CA), a qualified Financial Crime Specialist and has an International Certificate in Banking Risk and Regulation from GARP.

Prior to joining the Bank, he was the Chief Risk & Compliance Officer at an authorized Swiss manager of collective assets and before that, the Group Head of Regulatory & Advisory Compliance at EFG Bank SA, where he specialized in the strategic management of risk on an enterprise-wide basis. He began his career at Deloitte Montréal, Canada in 2003 within the Financial Institution audit team before joining PricewaterhouseCoopers Geneva, Switzerland in 2007 as part of the Banking Audit and Advisory teams.

Mr. Menif has been the Chief Risk & Compliance Officer and a member of the Bank's Executive Committee since October 2023. He is responsible for overseeing the Bank's governance and strategy for global risk management and compliance, including relationships with key regulators. His team provides independent oversight and guidance for managing risk and ensuring compliance, including the development and implementation of risk management measures across the Bank.

Mr. Menif also participates in several organizations that focus on risk, compliance, governance and policy, including the Romandie Chapter of the Swiss Risk Association as one of its founding members.



WALID MOUKARZEL

HEAD OF PRIVATE BANKING

Mr. Moukarzel holds a Bachelor's degree in Physics from Imperial College London (University of London) and is a member with distinction of the Society of Technical Analysts.

He started his career at Mercury Asset Management in 1986 and has since amassed 30 years of asset management experience initially in the United Kingdom working for private capital and consulting for hedge funds before moving to Geneva, Switzerland and working in Wealth Management, which included a 10-year tenure at Banque Audi (Suisse) SA as Head of Asset Management and Head of Advisory.

Mr. Moukarzel has been the Head of Private Banking and a member of the Bank's Executive Committee since May 2024. He is responsible for all Front Office functions as well as Business Risk Management. His responsibilities include strategic leadership, client relationships, revenue growth and profitability, as well as regulatory compliance and risk management.

INTERNAL AUDIT
MARIO MAJZOUB



ANNUAL REPORT

2025

FINANCIAL HIGHLIGHTS



05 FINANCIAL HIGHLIGHTS

TOTAL ASSETS
UNDER MANAGEMENT
CHF 4.4 billion

TOTAL OPERATING
INCOME
CHF 63.5 million

NET PROFITS
CHF 11.2 million

OPERATING COST/
INCOME RATIO
72.0%

BALANCE SHEET TOTAL
CHF 1.23 billion

TOTAL
SHAREHOLDERS' EQUITY
CHF 228 million

5.2%

RETURN ON
SHAREHOLDERS' EQUITY

1061%

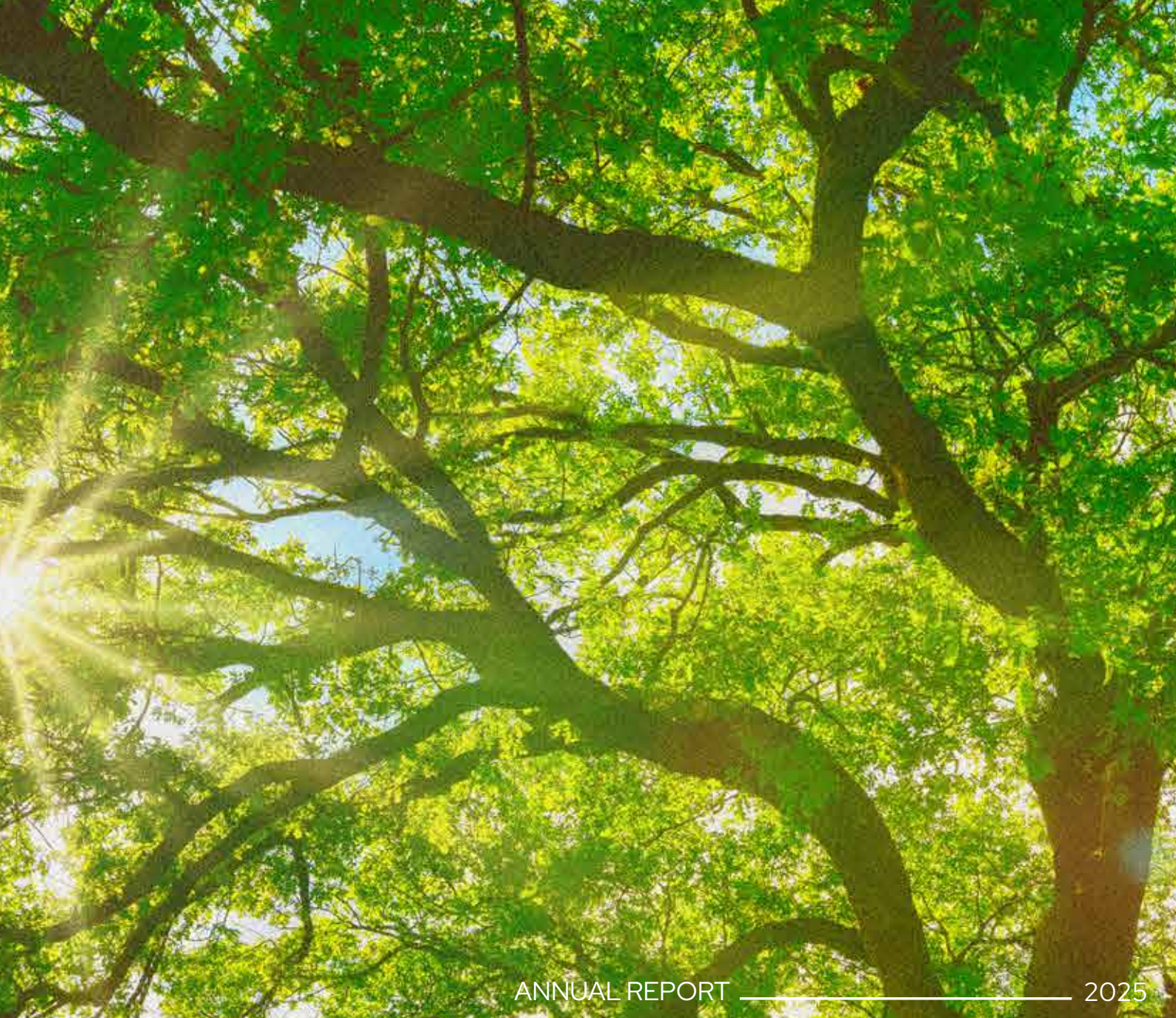
LIQUIDITY COVERAGE
RATIO

61.7%

CORE EQUITY TIER 1
RATIO (CET1)

118

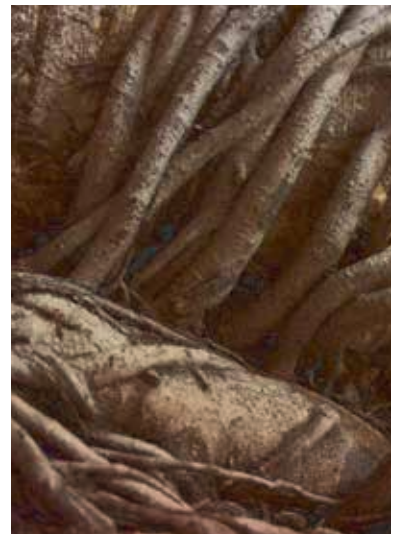
NUMBER OF
EMPLOYEES (FTE)



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FINANCIAL STATEMENTS



06 REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS



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To the General Meeting of
BANQUE AUDI (SUISSE) SA, Geneva

Geneva, 11 March 2026

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of BANQUE AUDI (SUISSE) SA (the Company), which comprise the balance sheet as at December 31, 2025, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework for banks, the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Swiss law and SA-CH 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements




In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

 Patrick Mettraux
(Qualified Signature)
Licensed audit expert
(Auditor in charge)

 Charlotte Simond
(Qualified Signature)
Licensed audit expert

Enclosures

- Financial statements (balance sheet, income statement, statement of changes in equity and notes)
- Proposal for appropriation of profit

07 BALANCE SHEET AS AT 31 DECEMBER 2025

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Notes	31/12/2025	31/12/2024
ASSETS			
Liquid assets	7.9	397,035	158,356
Amounts due from banks	7.9	216,669	304,052
Amounts due from customers	7.1	349,158	363,599
Mortgage loans	7.1	18,491	19,400
Trading portfolio assets	7.2	334	198
Positive replacement values of derivative financial instruments	7.3	13,411	11,428
Financial Investments	7.4, 7.9	190,574	238,294
Accrued income and prepaid expenses		12,267	5,307
Participations	7.5, 7.6	211	241
Tangible fixed assets	7.7	28,313	27,900
Other assets	7.8	318	194
Total assets		1,226,781	1,128,969
Total subordinated claims		-	-
Liabilities			
Amounts due to banks		45,042	115,124
Amounts due in respect of customer deposits		910,480	755,518
Negative replacement values of derivative financial instruments	7.3	10,069	11,212
Accrued expenses and deferred income		20,922	17,971
Other liabilities	7.8	1,797	1,761
Provisions	7.11	10,206	10,304
Reserves for general banking risks	7.11	2,100	2,100
Share capital	7.12	25,000	25,000
Statutory retained earnings reserve		17,000	17,000
Voluntary retained earnings reserve		19,300	19,300
Profits carried forward		153,679	136,124
Profit for the period		11,186	17,555
Total liabilities		1,226,781	1,128,969
Total subordinated liabilities		-	-

	Notes	31/12/2025	31/12/2024
OFF-BALANCE SHEET			
Contingent liabilities	7.1, 8.1	20,138	18,920
Irrevocable commitments	7.1	2,559	2,046

08 INCOME STATEMENT FROM 1 JANUARY TO 31 DECEMBER 2025

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Notes	2025	2024
RESULTS FROM INTEREST OPERATIONS			
Interest and discount income	9.2	23,405	24,459
Interest and dividend income from trading portfolio		-	-
Interest and dividend income from financial investments		5,498	5,385
Interest expenses		(272)	(114)
Gross results from interest operations		28,631	29,730
Changes in value adjustment for default risks and losses from interest operations		(255)	(25)
Subtotal net results from interest operations		28,376	29,705
RESULTS FROM COMMISSION BUSINESS AND SERVICES			
Commission income from securities trading and investment activities		34,021	34,285
Commission income from lending activities		260	284
Commission income from other services		1,458	1,454
Commission expense		(7,138)	(6,970)
Subtotal results from commission business and services		28,601	29,053
RESULTS FROM TRADING ACTIVITIES	9.1	6,533	8,152
OTHER RESULTS FROM ORDINARY ACTIVITIES			
Result from the disposal of financial investments		6	12
Income from non-consolidated participations		-	-
Other ordinary income		-	-
Other ordinary expenses		-	-
Subtotal other results from ordinary activities		6	12
OPERATING EXPENSES			
Personnel expenses	9.3	(33,422)	(31,451)
General and administrative expenses	9.4	(12,295)	(11,079)
Subtotal operating expenses		(45,717)	(42,530)
Value adjustments on participations and depreciation of tangible fixed assets and intangible assets	7.5, 7.7	(2,114)	(1,587)
Changes to provisions and other value adjustments, and losses	7.11, 9.5	(2,667)	(1,639)
OPERATING RESULT		13,018	21,166
Extraordinary income	9.5	173	77
Extraordinary expenses	9.5	-	(19)
Changes in reserves for general banking risks	7.11, 9.5	-	-
Taxes	9.6	(2,005)	(3,669)
PROFIT FOR THE PERIOD		11,186	17,555

09 PROPOSAL FOR APPROPRIATION OF PROFIT

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	2025	2024
Profit for the period	11,186	17,555
Profit brought forward	153,679	136,214
Ordinary dividend	-	-
Retained earnings	164,865	153,679

	2025	2024
Allocation of the retained earnings		
Dividend distributions	-	-
- of which distribution from profit carried forward	-	-
- of which distribution from statutory retained earnings reserve	-	-
Profit carried forward	164,865	153,679

10 STATEMENT OF CHANGES IN EQUITY

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Share capital	Statutory retained earnings reserve	Voluntary retained earnings reserve	Reserves for general banking risks	Profit carried forward	Profit for the period	TOTAL
Equity as at 1 January 2025	25,000	17,000	19,300	2,100	136,124	17,555	217,079
Prior year profit allocation	-	-	-	-	17,555	(17,555)	-
- Allocation to statutory retained earnings reserve	-	-	-	-	-	-	-
- Allocation to voluntary retained earnings reserve	-	-	-	-	-	-	-
- Dividend distribution	-	-	-	-	-	-	-
- Profit carried forward allocation	-	-	-	-	17,555	(17,555)	-
Profit for the period	-	-	-	-	-	11,186	11,186
Equity as at 31 December 2025	25,000	17,000	19,300	2,100	153,679	11,186	228,265

11 NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025

1. COMPANY NAME, LEGAL FORM AND REGISTERED OFFICE OF THE BANK

Banque Audi (Suisse) SA (the "Bank") was founded in 1976 in Zurich, and its headquarters were later moved to Geneva. The Bank is indirectly wholly owned by Bank Audi SAL, Lebanon, through BAPB Holding Limited, Cyprus. The Bank also has a representative office in Beirut, which focuses on monitoring and developing the regional market.

The Bank has a Swiss banking license and operates under the supervision of the Swiss Financial Market Supervisory Authority (FINMA). The Bank's activities include wealth administration and management for private clients, fiduciary investments, and providing credit facilities to wealth management clients.

As of 31 December 2025, the Bank employed 121 staff, including 4 at the representative office in Beirut, which gives a full-time equivalent of 118 employees (at 31 December 2024: 110 employees, including 4 at the representative office in Beirut, for a full-time equivalent of 107.2 employees).

The Bank outsources services related to hosting and operations of its interbank messaging platform. There is no other activity of the Bank that is outsourced within the meaning of FINMA Circular 2018/3 "Outsourcing – Banks".

2. ACCOUNTING PRINCIPLES AND EVALUATION

2.1. General Principles

The accounting and valuation principles applied to the financial statements are in accordance with the Federal Act on Banks and Savings Banks (LB), its Ordinance (OB) as well as the rules and guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA), in particular the FINMA Ordinance on Accounting (OEPC-FINMA) and the accounting requirements for banks, securities firms, financial groups and conglomerates (PCB) of October 31, 2019 (FINMA Circular 2020/1 "Accounting - Banks").

2.1.1. General Valuation Principles

The financial statements have been prepared on a going concern basis. Balance sheet entries are based on going concern values.

Assets include items of value that the company can realize as a result of past events, from which it expects a flow of economic benefits, and whose value can be estimated with a sufficient degree of reliability. When a reliable estimate of the asset's value is not possible, it is treated as a contingent receivable, which is discussed in the notes to the financial statements.

Liabilities include debts arising from past events, which result in a probable flow of economic benefits to the company and whose value can be estimated with a sufficient degree of reliability.

These liabilities are recorded on the balance sheet. When a reliable estimate is not possible, information is provided in the notes to the financial statements.

Offsetting between assets and liabilities, as well as between expenses and revenues, is generally prohibited. Offsetting between receivables and liabilities is limited to offsetting value adjustments against the corresponding asset positions.

2.1.2. Financial Instruments

2.1.2.1. Bank Loans, Customer Loans, and Mortgage Loans

Bank loans, customer loans, and mortgage loans are recorded at their nominal value, less any necessary valuation adjustments.

Impaired loans are subject to individual valuation adjustments recorded as deductions from the loan balance. A loan is considered impaired when it is unlikely that the debtor will be able to meet its future obligations. Impaired loans are individually assessed, and the impairment is covered by individual valuation adjustments. The impairment is the difference between the carrying amount of the loan and its likely realizable value.

2.1.2.2. Trading Transactions

Trading transactions are valued and recorded on the balance sheet at their fair value. Gains and losses resulting from the valuation of trading positions are recorded in the income statement under "Results from trading activities."

Interest and dividends generated by trading positions are recorded in the income statement under "Interest and dividend income from trading portfolio."

2.1.2.3. Positive and Negative Replacement Values of Derivative Financial Instruments

Derivative financial instruments are used for funding and hedging purposes.

Trading Operations

All financial instruments derived from trading operations are valued at fair value, and their positive or negative replacement values are recorded in the corresponding balance sheet items. Fair value is based on market prices and valuation models.

The realized profit or loss from trading operations and the unrealized profit or loss from the valuation of trading operations are recorded under "Results from trading activities".

Hedging Transactions

As part of its balance sheet management, the Bank uses derivative financial instruments to hedge foreign exchange risks. Hedging transactions are valued in the same way as the underlying transaction they hedge. The result of the hedging is recorded in the same line item of the income statement as that of the hedged transaction.

2.1.2.4. Financial Investments

Financial assets comprise debt and equity securities.

Debt securities intended to be held-to-maturity

The valuation and balance sheet recording of debt securities intended to be held until maturity are stated at their acquisition cost, taking into account the delimitation of the premium or discount at acquisition over the remaining period until maturity ("accrual method").

Changes in value related to the risk of default must be recorded immediately in the line item "Changes in value for default risk and losses related to interest operations" in the income statement.

If held-to-maturity financial assets are disposed of before maturity or redeemed early, the gains and losses realized corresponding to the interest rate component are allocated equally over the remaining period until maturity under the heading "Other assets" or "Other liabilities."

Debt securities not intended to be held-to-maturity

Debt securities not intended to be held until maturity are accounted for using the lowest value principle. A revaluation, limited to historical or acquisition costs, must be recorded as soon as the fair value, which had fallen below the acquisition cost, has risen again subsequently.

The balance of these value adjustments is recorded under the headings "Other ordinary expenses" or "Other ordinary income."

Equity securities

Equity securities are valued at the lower of cost or market value. Value adjustments are recorded under the headings "Other ordinary expenses" or "Other ordinary income".

2.1.2.5. Participations

Participations include equity securities held by the Bank for the purpose of permanent investment, regardless of voting rights. Participations are valued individually at their acquisition cost, less any economically necessary adjustments.

The Bank examines, at each balance sheet date, whether the value of its investments has decreased. This examination is based on indications suggesting that certain assets may have suffered impairment losses. If it observes such indications, the Bank determines the realizable value of each asset. The realizable value is the higher of the net market value and the value in use. An asset is considered impaired if its carrying amount exceeds its realizable value. If an impairment loss occurs, the carrying amount is reduced to the realizable value, and the impairment loss is recorded as a debit to the "Value adjustments on participations and depreciation of tangible fixed assets and intangible assets" line item in the income statement.

Gains realized from the disposal of shares are recorded under "Extraordinary income", while losses realized are recorded under "Extraordinary expenses".

2.1.2.6. Amounts due to banks and amounts due to customers

Amounts due to bank and customers are reported in the balance sheet at nominal value. Assets and liabilities related to precious metals recorded in metal accounts are valued at fair value to the extent that the precious metal is traded on an efficient and liquid market.

2.1.3. Tangible Fixed Assets

Investments made in tangible fixed assets used for more than one accounting period are capitalized. Investments with a useful life of less than one year are fully allocated to "Other operating expenses" at the acquisition date.

Tangible fixed assets are recorded on the balance sheet at their acquisition cost, less accumulated planned depreciation over their estimated useful life.

Tangible fixed assets are depreciated on a straight-line basis using the "Value adjustments on participations and depreciation of tangible fixed assets and intangible assets" line item in the income statement, based on a conservatively estimated useful life. The estimated useful life of tangible fixed assets is summarized as follows:

<u>Tangible fixed asset category:</u>	<u>Useful life:</u>
Buildings for Bank use	50 years
Facilities, office equipment, furniture	5 years
Vehicles and works of art	5 years
Telecommunications, computer hardware and software	3 years

The Bank examines, at the balance sheet date, whether the value of each tangible fixed asset is impaired. This examination is based on indications suggesting that certain assets may have suffered impairment losses. If it observes such indications, the Bank determines the realizable value of each asset. The value of an asset is impaired if its carrying amount exceeds its realizable value. If impairment occurs, the carrying amount is reduced to the realizable value, and the impairment loss is recorded as a debit to the "Value adjustments on participations and depreciation of tangible fixed assets and intangible assets" line item.

If the assessment of the carrying value of a tangible fixed asset reveals a change in its useful life, the remaining carrying amount is amortized according to a plan corresponding to the new useful life determined by the Bank.

Gains realized on the disposal of tangible fixed assets are recorded under "Extraordinary income," and losses realized under "Extraordinary expenses" in the income statement.

2.1.4. Provisions

Legal and factual obligations are assessed at regular intervals. A provision is established if an outflow of funds appears probable and can be reliably estimated. Existing provisions are reassessed at each balance sheet date. They are increased, maintained, or reversed based on these new valuations.

Provisions that are no longer economically necessary and are not immediately reused for other needs of the same nature are reversed in the income statement.

2.1.5. Reserves for general banking risk

Reserves for general banking risk are established preventively to cover risks arising from the Bank's activities.

Reserves for general banking risk are established and dissolved through the "Changes in reserves for general banking risk" line item in the income statement. General bank risk reserves are not taxed.

2.1.6. Taxes

Current taxes are recurring, generally annual taxes, that affect income and capital. Tax on transactions is not included.

Liabilities arising from current taxes affecting income and capital are recorded in the "Accruals" line item (liabilities).

Current taxes affecting income and capital are recorded in the "Taxes" line item of the income statement.

2.1.7. Off-balance sheet transactions

Off-balance sheet transactions are presented at their nominal value. For foreseeable risks, provisions are made on the liabilities side of the balance sheet.

2.1.8. Pension commitments

All employees are insured through the Bank's pension fund. In addition to this basic plan, executives and senior management are eligible for a supplemental plan. Pension commitments, as well as the assets used to cover them, are registered in a legally independent foundation. The organization, management, and financing of the pension plans are based on legal provisions, the foundation deeds, and the applicable pension regulations. All of the Bank's pension plans are defined contribution plans.

2.2. Changes to accounting and valuation principles

The accounting and valuation principles have not been changed compared to the previous financial year.

2.3. Recording of Transactions

All transactions are recorded in the books on the day they are concluded and valued from that day forward for the purpose of determining profit or loss. All transactions concluded up to the balance sheet date are accounted for on the date they were concluded ("trade date accounting") and valued according to the principles indicated above.

2.4. Treatment of Overdue Interest

Interest that is overdue and unpaid for more than 90 days is considered overdue. When the face value of the receivables, resulting from accrued interest, is not covered by the estimated value of the collateral, the Bank records a valuation adjustment with an impact in the income statement under the heading "Changes in valuation adjustments for default risks and losses from interest operations."

2.5. Foreign Currency Conversion

Assets and liabilities expressed in foreign currencies are converted into Swiss francs at the exchange rates in effect on the balance sheet date. Income and expenses expressed in foreign currencies are converted into Swiss francs at the exchange rates in effect on the transaction date. The exchange gain or loss arising from the conversion of foreign currency positions is recorded under "Results from trading activities" in the income statement.

The rates applied for the conversion of the main currencies are the following:

	<u>31.12.2025</u>	<u>31.12.2024</u>
USD	0.7930	0.9037
EUR	0.9308	0.9409

3. RISK MANAGEMENT

3.1. Risk Management Framework

Risk-taking is an integral part of a financial institution's activities, and the Bank considers risk as an essential element of its development and business diversification. The Bank advocates risk management aligned with its business strategy. The objective of proper and effective risk management is to provide reasonable assurance that the risks incurred do not exceed acceptable thresholds and the approved risk tolerances, thereby ensuring that risk-taking is controlled and contributes to shareholder value creation.

Risks are managed rigorously. They are identified, measured, and controlled to achieve a fair balance between returns and risks assumed. Consequently, decision-making processes are guided by risk assessment and management aligned with the Bank's risk appetite and prudent levels of capital and liquidity.

3.1.1. Risk Tolerance

Risk tolerance represents the level of risk the Bank is willing to assume in order to achieve its strategic business objectives, taking into account its capital and liquidity requirements and planning.

The Bank defines its risk tolerance through quantitative and qualitative tolerance thresholds for key risks, by aligning with its strategic business objectives, and by integrating risk management into its corporate culture. Risk tolerance is integrated into decision-making processes, as well as strategic and financial planning and capital management.

3.1.2. Integrating Risk Management into Business Operations

Corporate governance, risk management, and internal controls are integral to decision-making, which requires, amongst other things:

- A strong capital and liquidity position;
- Rigorous risk management, including information security, regulatory compliance, and business practices;
- A proper balance between risk and return; and
- A stable risk profile.

The Bank continuously improves its conceptual framework for risk management and its internal control system. This transformation and streamlining of processes are achieved without compromising rigorous risk management, which is reflected in:

- A low tolerance for regulatory, operational, and reputational risks; and
- The stability of operations and IT systems in both normal times and crises.

Furthermore, to ensure the effectiveness of the existing risk management framework, the Bank has clearly defined roles and responsibilities by reinforcing the three lines of defence concept in each of its policies and procedures.

3.1.3. Independent Control Bodies

Independent control bodies monitor risks as well as compliance with legal, regulatory, and internal requirements.

These independent control bodies are structured within the Risk Management department according to the following three functions:

- Compliance function;
- Risk Control function;
- Information Systems Security function.

The Risk Management function is responsible for independently identifying, measuring, and monitoring the various risks to which the Bank is exposed, using an integrated approach. The Risk Management team supports management and the Board of Directors in understanding and monitoring the principal risks. Furthermore, this function develops, maintains, and communicates the risk tolerance framework while ensuring the integrity and reliability of risk measures.

3.1.3.1. Compliance Function

The Compliance function is responsible for implementing a risk management framework for managing the risk of non-compliance with regulations across the Bank. It also conducts independent monitoring and assessment of the Bank's compliance.

3.1.3.2. Risk Control Function

The Risk Control function monitors the Bank's risk profile, including consideration of risk tolerance and risk limits as defined by the Bank-wide Risk Policy and Risk Management Principles.

The Risk Control function is appropriately involved in the development or expansion of new types of products, services, business lines, or market segments, as well as in significant or complex transactions.

3.1.3.3. Information Systems Security Function

Information systems security function is responsible for establishing and maintaining the information systems security vision, strategy, and program to ensure adequate protection of information assets and technologies.

3.1.4. Regulatory Compliance Management Framework

The Bank operates in a highly regulated sector. It makes every effort to ensure rigorous regulatory compliance management by prioritizing a proactive approach and focusing on integrating regulatory requirements into its day-to-day operations.

This proactive management approach provides reasonable assurance that the Bank complies, in all material respects, with the regulatory requirements applicable wherever it operates, both in Switzerland and internationally.

The implementation of a Bank-wide regulatory compliance management framework falls under the responsibility of the Compliance function, which has the following mandate:

- Ensure the implementation of policies and standards to comply with applicable regulatory requirements, including those related to anti-money laundering and counter-terrorist financing, international sanctions, and business conduct;
- Develop compliance training programs for employees and management;
- Conduct independent oversight and monitoring of the programs, policies, and procedures implemented by the Bank's management to ensure that control mechanisms are adequate, respected, and effective; and
- Report to the Bank's Board of Directors on relevant compliance and anti-money laundering and counter-terrorist financing matters, international sanctions, and business conduct, and inform the Board of Directors of any significant changes to the effectiveness of the risk management framework.

3.2. Credit Risk

Credit risk represents the possibility of incurring a financial loss if a debtor fails to fully meet their contractual obligations to the Bank. This debtor may be a borrower (customer loans), an issuer, a counterparty in interbank transactions, or a guarantor. Even though the vast majority of loans are granted in the form of Lombard loans, credit risk represents the most significant financial risk the Bank faces in the normal course of its business.

The Bank is exposed to credit risk not only through its direct lending activities and operations, but also through letters of guarantee, transactions in over-the-counter derivative financial instruments, debt securities, deposits with financial institutions, its brokerage activities, and transactions involving settlement risk for the Bank.

3.2.1. Customer Loans

Credit risk monitoring is carried out at three levels:

- The Bank implements processes and instruments that ensure a thorough assessment of credit risks and, consequently, relevant credit decisions;
- Risk positions are closely monitored by compliant specialists (Credit Department and Risk Control function) and are subject to limits; and
- Developments in the environment, economic sectors, and the loan portfolio are subject to rigorous and regular analysis.

Financing and lending activities are handled by separate bodies. The bodies with credit authority are the Credit Department and the Credit Committee. The Board of Directors approves large loans and loans to governing bodies.

The loan-to-value ratios for collateral are established according to standard banking practices, market reviews and the risk appetite of the Bank, and are reviewed on a regular basis by the Credit Committee. When creditworthiness is insufficient, the Bank uses the liquidation value of the collateral as a criterion. Maximum financing is based on the Bank's internal loan-to-value collateral ratios and its financial capacity. Depending on the risk, amortization of the loan principal may be required.

Credit positions and collateral are reviewed regularly, with value adjustments as needed, in accordance with the processes outlined in Chapter 4.

3.2.2. Counterparty Risk in Interbank Transactions

For interbank transactions and trading activities, the Bank uses a multi-tiered limit system to manage counterparty risk. The Bank only works with top-tier counterparties and never enters into an interbank relationship without conducting a detailed due diligence, including a default risk assessment. The limit amount is primarily based on the counterparty's creditworthiness and rating, as well as its capital adequacy. Compliance with the limits is monitored daily by the Middle Office department.

The counterparty's rating, and consequently the limit amount, is reviewed periodically, but at least annually. In the event of extreme market events, the Bank continuously monitors the situation to be able to react immediately to any increase in risk.

A centralized policy framework governs activities that generate credit risk for the Bank and is supplemented by a series of subordinate internal procedures and standards. These address specific aspects such as loan-to-value advance rates, risk management rules including concentration limits by borrower group and sector, credit latitude, collateral requirements, risk quantification, and detailed assessments of interbank counterparties. The credit policy is reviewed annually and supplemented by internal guidelines.

3.3. Market Risk

Market risk is the risk of losses due to changes in market prices. Market risk arises from a number of factors, including changes in market variables such as interest rates, exchange rates, and security prices.

The Bank is exposed to market risk through its balance sheet matching management and its financial investment portfolio.

3.3.1. Interest Rate Fluctuation Risk

Given the significance of the Bank's balance sheet operations, interest rate fluctuation risks can have a substantial impact on the net interest margin. Interest rate risk arises from the imbalance between the maturities of assets and liabilities. Measuring and

managing the risks resulting from this imbalance are therefore of paramount importance. These tasks are the responsibility of the Bank's Asset & Liability Management (ALM) Committee, composed of members of senior management and the Head of Treasury.

Crisis scenarios are also used to assess the effects of interest rate fluctuations. A limit for the standard crisis scenario has been set, and compliance with it is monitored.

Refinancing and interest rate management are handled by the Treasury department, which adheres to the Bank's target objectives in this area:

- To understand, measure, and manage interest rate risks related to customer transactions;
- Generate revenue within risk limits;
- Ensure optimized refinancing based on balance sheet developments; and
- Monitor liquidity and prevent potential liquidity shortages.

3.3.2. Foreign Exchange Risk

The Bank manages foreign exchange risk to minimize the impact that currency fluctuations could have on its income. Its strategy essentially consists of balancing foreign currency assets with foreign currency liabilities.

3.4. Liquidity and Funding Risk

Liquidity and funding risk represents the risk that the Bank may be unable to meet its day-to-day financial and cash flow obligations without resorting to costly or inopportune measures. This risk arises when sources of funds become insufficient to meet the payments scheduled under the Bank's commitments. Liquidity risk stems from the mismatch between cash flows related to assets and liabilities, as well as from the characteristics of certain products such as credit commitments and at sight deposits.

The Bank's primary objective, as a financial intermediary, is to manage liquidity in a way that supports its business strategy and enables it to meet its obligations when they become due, even under extreme conditions. This is achieved in particular through the implementation of a framework policy approved by the Board of Directors, which sets a risk appetite, supervisory structures under the control of the Audit and Risk Committee and the Asset & Liability Management Committee, risk indicators, accountability procedures, delegation of responsibilities, and segregation of duties. Furthermore, the Bank prepares an annual liquidity plan that takes into account the anticipated evolution of assets and liabilities.

The Contingency Funding Plan is a key component of the crisis management concept. It includes an assessment of funding sources when market tensions arise and defines emergency procedures. The Bank protects itself against a liquidity crisis by diversifying its refinancing sources. All significant cash flows, as well as the availability of high-quality collateral that can be used to raise additional liquidity, are regularly reviewed.

3.5. Operational Risks

Operational risks are defined as the risk of losses arising from inadequate or defective internal procedures, personnel, and systems, or from external events. The assessment of operational and compliance risks focuses on direct financial losses as well as the consequences of a loss of customer confidence. The primary objective of operational risk management is to strengthen the Bank's reputation with customers, shareholders, and regulators.

Operational risks are measured based on the damages resulting from normal and extreme situations. The Risk Control function manages a database of incidents that have had a financial impact on the Bank. For risk management purposes, it categorizes such incidents into different risk groups and defines measures to mitigate potential losses.

The operational risk management framework is described in the Risk Management Policy, and aligned with the Bank's risk appetite. It comprises policies, standards, and/or procedures specific to each operational risk, which fall under the responsibility of specialized departments. Effective management of operational risk contributes to the operational resilience of the Bank, which ensures the implementation of an efficient approach in this respect.

The Audit and Risk Committee of the Board of Directors reviews the Risk Management Policy and the Operational Risk Policy annually. Measures are taken to mitigate damage related to processes, information security, control systems, and training. The Business Continuity Management Plan, which incorporates the Bank's Critical Functions, also contributes to ensuring operational security and resilience in the event of both internal and external disasters.

Key controls are documented according to uniform principles. All Bank departments conduct annual assessments of their internal control processes to measure their operational effectiveness and resilience. The Business Continuity Management Plan and the Bank's Critical Functions are reviewed and tested annually. Observations made during this testing are recorded in the operational risk report submitted to management and the Audit and Risk Committee of the Board of Directors. Improvements proposed in the report are approved by the Bank's governing bodies.

The Bank has implemented and adapted its internal policies and procedures to comply with the requirements of FINMA circular 2023/1, in particular with regards to the management of critical data and cyber risk, as well as ensuring operational resilience globally.

3.6. Other Risks

3.6.1. Regulatory Non-Compliance Risk

Regulatory non-compliance risk relates to the risk arising from the possibility that the Bank, one of its employees, or one of its business partners may not comply with the regulatory requirements in force where it operates, both in Switzerland and internationally. This risk is present in all of the Bank's daily operations across every sector.

A situation of non-compliance with regulatory requirements can negatively impact the Bank's reputation and lead to penalties, sanctions, and increased scrutiny from regulatory authorities.

3.6.2. Reputational Risk

Reputational risk represents the possibility that an activity or practice of the Bank or the group to which the Bank belongs may be judged negatively by the public – whether this judgment is founded or not – and that this may damage the perception, the image of the Bank, which could lead to lawsuits or loss of revenue.

Reputational risk generally arises from a failure to manage another risk. This includes incidents of non-compliance with laws and regulations or process failures. Therefore, all risks must be managed effectively to protect the Bank's reputation.

3.6.3. Strategic Risk

Strategic risk arises from the possibility of incurring financial loss or reputational damage as a result of inappropriate strategic direction, poor execution, or ineffective adaptation to economic, financial, or regulatory changes. The Bank's strategic plan is developed by management and approved by the Board of Directors, considering the Bank's overall risk appetite. Once approved, initiatives within the strategic plan are regularly monitored to verify their progress.

4. Methods Applied for Identifying Default Risks and Determining the Need for Value Adjustments

4.1. Identification of Default Risks

4.1.1. Securities-Secured Loans

Loan exposures and the value of the pledged securities are verified daily, or several times a day in the event of an extraordinary market event. If the value of the collateral after application of the loan-to-value ratios becomes less than the amount of the exposure (including any appropriate margins applied), the Bank requires either partial repayment, the sale of securities or the repurchase of derivatives, or additional acceptable collateral. If the shortfall is not covered by the client within the allotted time and/or if adverse market conditions exist, the Bank can enforce the sale of the collateral held.

4.1.2. Mortgage-Secured Loans

For real estate financing, the value of income-producing properties is determined by a real estate independent expert based on their intrinsic value and income-producing value, using a capitalization model of estimated sustainable income. This model takes into account market data and the property's rental status. The rental status and valuation of income-producing properties are reviewed every three years.

If there are indications of changes in the rental status or the real estate market, the Bank will reassess the loan without waiting for the end of the three-year review period. If a lack of margin occurs after a reevaluation of the mortgaged property, the Bank requires additional acceptable collateral from the client. If the shortfall is not covered by the client within the allotted time and/or if adverse market conditions exist, the Bank can enforce the sale of the mortgaged property.

4.1.3. Unsecured Loans

Unsecured loans are generally customer overdrafts. If these loans become compromised, the Bank will make a value adjustment.

4.2. Determining the Need for Valuation Adjustments

4.2.1. Valuation Adjustments for Default Risks on Impaired Loans

A loan is considered impaired when it is unlikely that the debtor will be able to meet its future obligations. Indicators of default are based on the requirements of FINMA Accounting Ordinance (OEPC-FINMA) and are defined in more detail in an internal policy. Such indicators exist, among other things, in the following cases:

- Significant financial difficulties of the debtor or past failure to service debt;
- Significant loss in value of collateral that poses a risk of default for the Bank;
- Significant breach of credit conditions, missed deadlines, and other contractual breaches by the debtor;
- Concessions granted by the Bank due to the debtor's financial difficulties;
- High probability of bankruptcy or restructuring;
- Recognition of an impairment loss on a financial instrument during a prior reporting period; and
- Financial instrument becoming illiquid due to financial difficulties or international sanctions.

Doubtful receivables are regularly assessed on an individual basis at their liquidation value. In the event of any impairments, individual or aggregate valuation adjustments are made, taking into account the sale value of collateral and the debtor's solvency.

4.2.2. Valuation adjustments for default risks on non-impaired loans

The Bank does not make any provision for expected losses on non-impaired loans.

4.2.3. Provisions for default risks on off-balance sheet transactions

The Bank does typically not make any provision for expected losses on off-balance sheet transactions, in particular, given the effective risk management procedures applied to such transactions.

5. Valuation of Credit Collateral

5.1. Securities-Backed Loans

For Lombard loans and other securities-backed loans, only readily negotiable collateral is accepted. The Bank accepts structured products if the investments are regularly quoted.

To mitigate market risk, the Bank applies discounts ("loan-to-value" rates) to the market price of the securities accepted as collateral. These discounts are based on market practice and the risk appetite of the Bank, and are decided and reviewed regularly by the Credit Committee. For structured products, the discounts applied are higher than for liquid products. For guarantees, the discounts are determined by product or by issuer.

5.2. Mortgage-Secured Loans

Loans secured by mortgages are never granted without two independent valuations of the collateral based on the property's use. For all types of properties, the valuation is entrusted to external real estate independent experts, who determine the income-producing value. For non-performing loans, the asset's liquidation value is established.

The Bank uses the lower of the purchase price and the external valuation as the basis for granting loans.

6. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No events have occurred after the Bank's balance sheet date of 31 December 2025 that would be likely to have a material impact on the Bank's assets, financial position, or results of operations.

7. INFORMATION ON BALANCE SHEET TRANSACTIONS

7.1. PRESENTATION OF COLLATERAL FOR LOANS/RECEIVABLES, OFF-BALANCE SHEET TRANSACTIONS, AS WELL AS IMPAIRED LOANS/RECEIVABLES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

Presentation of collateral for loans/receivables, off-balance sheet transactions		Type of Collateral			Total
		Secured by mortgage	Other collateral	Unsecured	
LOANS (BEFORE NETTING WITH VALUE ADJUSTMENTS)					
Amounts due from customers		-	348,784	972	349,756
Mortgage loans					
- Office and business premises		18,491	-	-	18,491
Total Loans (before netting with value adjustments)	31/12/2025	18,491	348,784	972	368,247
	31/12/2024	19,400	363,315	652	383,367
Total Loans (after netting with value adjustments)	31/12/2025	18,491	348,784	374	367,649
	31/12/2024	19,400	363,315	284	382,999
OFF-BALANCE SHEET					
Contingent liabilities		-	19,814	324	20,138
Irrevocable commitments		-	-	2,559	2,559
Total off-balance sheet	31/12/2025	-	19,814	2,883	22,697
	31/12/2024	-	18,485	2,481	20,966
Impaired loans/receivables					
		Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Total impaired loans/receivables	31/12/2025	651	53	598	598
	31/12/2024	423	52	371	368

7.2 BREAKDOWN OF TRADING PORTFOLIO

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025	31/12/2024
TRADING PORTFOLIO ASSETS		
Debt securities, money market securities / transactions	334	198
- of which, listed	334	198
Total trading portfolio assets	334	198
- of which, determined using a valuation model	-	-
- of which, securities eligible for repo transactions in accordance with liquidity requirements	-	-

7.3 PRESENTATION OF DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Trading Instruments			Hedging Instruments		
	Replacement values:		Contract volume	Replacement values:		Contract volume
	Positive	Negative		Positive	Negative	
FOREIGN EXCHANGE						
Forward contracts	1,329	1,890	71,610	-	-	-
Swaps	583	734	373,542	-	-	-
Options (OTC)	1,158	1,158	113,699	-	-	-
PRECIOUS METALS						
Forward contracts	-	982	46,492	-	-	-
Swaps	5,036	-	34,375	-	-	-
Options (OTC)	2,872	2,872	57,417	-	-	-
EQUITY SECURITIES / INDICES						
Options (OTC)	2,433	2,433	3,523	-	-	-
Total 31/12/2025	13,411	10,069	700,658	-	-	-
Total 31/12/2024	11,428	11,212	312,628	-	-	-

The Bank does not apply any netting contracts on positive and negative replacement values.

BREAKDOWN BY COUNTERPARTY	Central clearing house	Bank & securities dealers	Other customers
Positive replacement values	-	4,481	8,930

7.4 BREAKDOWN OF FINANCIAL INVESTMENTS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Book Value		Fair Value	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
PRESENTATION OF FINANCIAL INVESTMENTS				
Debt securities	190,572	238,292	190,770	238,210
- of which intended to be held to maturity	190,572	238,292	190,770	238,210
Equities securities	2	2	6	6
Precious metals	-	-	-	-
Total financial investments	190,574	238,294	190,776	238,216
- of which, securities eligible for repo transactions in accordance with liquidity requirements	-	-	-	-

BREAKDOWN OF COUNTERPARTIES BY RATING	From AAA to AA-	From A+ to A-	From BBB+ to BBB-
Book value of debt securities	190,572	-	-

The Bank's ratings are based on Standard & Poor's rating categories.

7.5 PRESENTATION OF PARTICIPATIONS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Acquisition cost	Accumulated value adjustments and changes in book value	Book value 31.12.2024	Additions	Disposals (including exchange difference)	Value adjustments	Book value 31.12.2025
Other participations							
- without market value	1,004	(763)	241	-	(30)	-	211
Total participations	1,004	(763)	241	-	(30)	-	211

7.6 DISCLOSURE OF COMPANIES IN WHICH THE BANK HOLDS A PERMANENT DIRECT OR INDIRECT SIGNIFICANT PARTICIPATION

COMPANY NAME AND DOMICILE	Business activity	Currency	Company capital (in '000s)	Share of capital and votes (in %) 31.12.2025	Share of capital and votes (in %) 31.12.2024	Held directly/indirectly
Audi Capital (KSA), Riyadh	Financial services	SAR	100,000	1.00%	1.00%	Directly

7.7 PRESENTATION OF TANGIBLE FIXED ASSETS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Acquisition cost	Accumulated depreciation	Book value 31.12.2024	Additions	Disposals	Depreciation	Book value 31.12.2025
Bank's buildings	37,749	(12,437)	25,312	-	-	(755)	24,557
Other tangible fixed assets	19,585	(18,080)	1,505	663	-	(344)	1,824
Acquired software	8,062	(6,979)	1,083	1,864	-	(1,015)	1,932
Total tangible fixed assets	65,396	(37,496)	27,900	2,527	-	(2,114)	28,313

The line "Other tangible fixed assets" contains works of art for an amount of KCHF 876 which have not been fully depreciated as they have a higher market value.

7.8 OTHER ASSETS AND OTHER LIABILITIES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Other Assets		Other Liabilities	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Transit accounts	186	117	614	968
Indirect taxes	132	77	1,183	787
Compensation account	-	-	-	6
Total	318	194	1,797	1,761

7.9 DISCLOSURE OF ASSETS PLEDGED OR ASSIGNED TO SECURE OWN COMMITMENTS AND ASSETS UNDER RESERVATION OF OWNERSHIP

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025		31/12/2024	
	Book value	Effective commitments	Book value	Effective commitments
PLEGGED/ASSIGNED ASSETS:				
- Liquid assets	1,279	1,279	1,023	1,023
- Amounts due from banks	20,737	20,737	33,677	33,677
- Financial investments	45,919	45,919	47,105	47,105
Total pledged assets	67,935	67,935	81,805	81,805

7.10 DISCLOSURES ON THE ECONOMIC SITUATION OF OWN PENSION SCHEMES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

Employer contribution reserve (ECR)

No reserve for future contributions has been set up by the Bank.

PRESENTATION OF THE ECONOMIC BENEFIT/OBLIGATION AND THE PENSION EXPENSES

	Over-funding/ underfunding	Economic interest of the Bank		Change in economic interest	Contributions paid	Pension expenses in personnel expenses	
	2025	2025	2024	2025	2025	2025	2024
Pension plans with over-funding	-	-	-	-	2,056	2,056	1,771
Total	-	-	-	-	2,056	2,056	1,771

The Bank has signed a contract of affiliation to the collective foundation AXA in Lausanne, an independent provident institution applying the legal dispositions governing employee pension plans in Switzerland and offering a defined contribution plan. Its objective is to insure employees against the economic impact resulting from retirement, disability and death. In addition to the basic plan, executives and members of management are eligible for a supplemental defined contribution plan. These plans are financed by both the employer and the employees in accordance with the regulations of the plans.

On 1 January 2019, AXA transferred the 100% insured pension fund to a new partially insured plan with additional coverage. At 31 December 2025, the unaudited coverage rate was 112.5%, which means that there is no underfunding at this date.

Liabilities relating to own pension schemes

The Bank has no liabilities relating to its own pension schemes as at 31 December 2025 (2024: none).

7.11 PRESENTATION OF VALUE ADJUSTMENTS AND PROVISIONS, RESERVES FOR GENERAL BANKING RISKS AND CHANGES THEREIN DURING THE CURRENT YEAR

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Balance as at 31/12/2024	Used in conformity with designated purpose	Reclassifications	Currency differences	New creations charged to income	Release to income	Balance at 31/12/2025
Provisions for deferred taxes	-	-	-	-	-	-	-
Provisions for pension benefit obligations	-	-	-	-	-	-	-
Provisions for default risks	-	-	-	-	-	-	-
Provisions for other business risks	4	-	-	-	-	(4)	329
Provisions for restructuring	-	-	-	-	-	-	-
Other provisions	10,300	(1,881)	-	(662)	2,480	(31)	9,877
Total provisions	10,304	(1,881)	-	(662)	2,480	(35)	10,206
Reserves for general banking risks	2,100	-	-	-	-	-	2,100
Value adjustments for default and country risks	368	-	-	(25)	255	-	598
- of which, value adjustments for default risks in respect of impaired loans/receivables	368	-	-	(25)	255	-	598

The "Other provisions" line contains provisions for legal costs related to the Voluntary Self-Disclosure process with OFAC for CHF 5.7 million (2024: CHF 6.4 million).

7.12 PRESENTATION OF SHARE CAPITAL

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025			31/12/2024		
	Total nominal value	Number of shares	Capital eligible for dividend	Total nominal value	Number of shares	Capital eligible for dividend
Share capital	25,000	25,000	25,000	25,000	25,000	25,000
Total	25,000	25,000	25,000	25,000	25,000	25,000

7.13 DISCLOSURE OF AMOUNTS DUE FROM/TO RELATED PARTIES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Amounts due from		Amounts due to	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Holders of qualified participations	62	45	20,392	11,373
Group companies	-	-	2,569	3,441
Transactions with members of governing bodies	4	-	239	363
Other related companies	2,131	888	4,099	1,857
Total	2,197	933	27,299	17,034

The Bank confirms that the conditions applicable to amounts due from and to related parties are at arm's length.

7.14 DISCLOSURE OF HOLDERS OF SIGNIFICANT PARTICIPATIONS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

The holders of participations below directly hold participations exceeding 5% of all voting rights:

	31/12/2025		31/12/2024	
	Nominal	Share as %	Nominal	Share as %
BAPB Holding Limited, Cyprus	25,000	100%	25,000	100%

At 31 December 2025, the share capital of Bank Audi (Suisse) SA, Geneva, is 100% held indirectly by Bank Audi sal, Lebanon, through BAPB Holding Limited, Cyprus, which directly holds all of the share capital and voting rights of the Bank.

7.15 PRESENTATION OF MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Due:					Total
	At sight	Cancellable	Within 3 months	Within 3 to 12 months	Within 12 months to 5 years	
ASSETS / FINANCIAL INSTRUMENTS						
Liquid assets	395,756	1,279	-	-	-	397,035
Amounts due from banks	195,932	20,737	-	-	-	216,669
Amounts due from customers	-	22,235	289,400	37,523	-	349,158
Mortgage loans	-	-	18,491	-	-	18,491
Trading portfolio assets	334	-	-	-	-	334
Positive replacement values of derivative financial instruments	13,411	-	-	-	-	13,411
Financial investments	-	2	-	46,764	143,808	190,574
Total 31/12/2025	605,433	44,253	307,891	84,287	143,808	1,185,672
Total 31/12/2024	439,334	222,200	202,906	181,420	49,467	1,095,327
DEBT CAPITAL / FINANCIAL INSTRUMENTS						
Amounts due to banks	45,042	-	-	-	-	45,042
Amounts due in respect of customer deposits	910,480	-	-	-	-	910,480
Negative replacement values of derivative financial instruments	10,069	-	-	-	-	10,069
Total 31/12/2025	965,591	-	-	-	-	965,591
Total 31/12/2024	881,854	-	-	-	-	881,854

7.16 PRESENTATION OF ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN (CLIENT'S DOMICILE)

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025		31/12/2024	
	Switzerland	Foreign	Switzerland	Foreign
ASSETS				
Liquid assets	397,035	-	158,356	-
Amounts due from banks	191,630	25,039	260,588	43,464
Amounts due from customers	43,576	305,582	30,368	333,231
Mortgage loans	18,491	-	19,400	-
Trading portfolio assets	-	334	-	198
Positive replacement values of derivative financial instruments	12,018	1,393	10,379	1,049
Financial investments	-	190,574	-	238,294
Accrued income and prepaid expenses	11,644	623	4,786	521
Participations	-	211	-	241
Tangible fixed assets	28,313	-	27,900	-
Other assets	306	12	194	-
Total assets	703,013	523,768	511,971	616,998
LIABILITIES				
Amounts due to banks	12,227	32,815	103,781	11,343
Amounts due in respect of customer deposits	45,755	864,725	38,983	716,535
Negative replacement values of derivative financial instruments	7,598	2,471	10,811	401
Accrued expenses and deferred income	20,915	6	17,965	6
Other liabilities	1,327	470	810	951
Provisions	10,206	-	10,304	-
Reserves for general banking risks	2,100	-	2,100	-
Share capital	25,000	-	25,000	-
Statutory retained earnings reserve	17,000	-	17,000	-
Voluntary retained earnings reserve	19,300	-	19,300	-
Profit carried forward	153,679	-	136,124	-
Profit for the period	11,186	-	17,555	-
Total liabilities	326,294	900,487	399,733	729,236

7.17 BREAKDOWN OF TOTAL ASSETS BY COUNTRY OR GROUP OF COUNTRIES (CLIENT'S DOMICILE)

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025		31/12/2024	
	Absolute	Share as %	Absolute	Share as %
Switzerland	703,013	57.3%	511,971	45.3%
Europe	142,403	11.6%	250,599	22.2%
North America	118,274	9.6%	83,305	7.4%
South America	1,201	0.1%	1,318	0.1%
Middle East	108,901	8.9%	133,231	11.8%
Other countries	152,989	12.5%	148,545	13.2%
Total assets	1,226,781	100.0%	1,128,969	100.0%

7.18 BREAKDOWN OF TOTAL ASSETS ABROAD BY CREDIT RATING OF COUNTRY GROUPS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

		NET FOREIGN EXPOSURE			
		31/12/2025		31/12/2024	
Internal rating	Standard & Poor's	Absolute	Share as %	Absolute	Share as %
1	AAA / AA-	435,932	93.1%	465,155	91.5%
2	A+ / A-	-	-	-	0.0%
3	BBB+ / BBB-	6,485	1.4%	7,231	1.4%
4	BB+ / BB	80	0.0%	1	0.0%
5	BB-	23,822	5.1%	35,375	7.0%
6	B+ / B-	187	0.0%	66	0.0%
7	CCC+ / D	1,913	0.4%	752	0.1%
0	No rating	9	0.0%	5	0.0%
	Total	468,428	100.0%	508,585	100.0%

The Bank uses its own internal sovereign risk rating system which corresponds to the Standard & Poor's ratings published above.

7.19 PRESENTATION OF ASSETS AND LIABILITIES BY THE MOST SIGNIFICANT CURRENCIES FOR THE BANK

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	CHF	USD	EUR	Other	Precious metals	Total
ASSETS						
Liquid assets	396,620	101	198	116	-	397,035
Amounts due from banks	2,418	50,644	24,557	7,040	132,010	216,669
Amounts due from customers	138,194	151,273	55,393	4,298	-	349,158
Mortgage loans	18,491	-	-	-	-	18,491
Trading portfolio assets	-	334	-	-	-	334
Positive replacement values of derivative financial instruments	6,789	1,251	866	305	4,200	13,411
Financial Investments	-	117,052	73,522	-	-	190,574
Accrued income and prepaid expenses	10,955	1,072	226	14	-	12,267
Participations	-	-	-	211	-	211
Tangible fixed assets	28,313	-	-	-	-	28,313
Other assets	230	74	2	12	-	318
Total assets shown in balance sheet	602,010	321,801	154,764	11,996	136,210	1,226,781
Delivery obligations from spot, forward and option foreign exchange transactions	23,308	420,624	78,899	39,543	138,284	700,658
Total assets	625,318	742,425	233,663	51,539	274,494	1,927,439
LIABILITIES						
Amounts due to banks	12,885	16,483	118	53	15,503	45,042
Amounts due in respect of customer deposits	51,325	541,272	167,507	18,223	132,153	910,480
Negative replacement values of derivative financial instruments	1,362	2,267	1,101	483	4,856	10,069
Accrued expenses and deferred income	18,525	2,396	1	-	-	20,922
Other liabilities	1,224	539	33	1	-	1,797
Provisions	5,472	4,734	-	-	-	10,206
Reserves for general banking risks	2,100	-	-	-	-	2,100
Share capital	25,000	-	-	-	-	25,000
Statutory retained earnings reserve	17,000	-	-	-	-	17,000
Voluntary retained earnings reserve	19,300	-	-	-	-	19,300
Profit carried forward	153,679	-	-	-	-	153,679
Profit for the period	11,186	-	-	-	-	11,186
Total liabilities shown in the balance sheet	319,058	567,691	168,760	18,760	152,512	1,226,781
Delivery obligations from spot, forward and option foreign exchange transactions	343,491	133,721	64,594	32,204	122,638	696,648
Total liabilities	662,549	701,412	233,354	50,964	275,150	1,923,429
Net position per currency	(37,231)	41,013	309	575	(656)	4,010

8. INFORMATION ON OFF-BALANCE SHEET TRANSACTIONS

8.1 BREAKDOWN OF CONTINGENT LIABILITIES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025	31/12/2024
Other contingent liabilities	20,138	18,920
Total contingent liabilities	20,138	18,920

8.2 BREAKDOWN OF FIDUCIARY TRANSACTIONS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025	31/12/2024
Fiduciary Deposits with third-party companies	774,191	732,910
Fiduciary Deposits with group companies	230,057	269,320
Total fiduciary transactions	1,004,248	1,002,230

8.3 BREAKDOWN OF ASSETS UNDER MANAGEMENT OR CUSTODY AND PRESENTATION OF THEIR DEVELOPMENT

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	31/12/2025	31/12/2024
BREAKDOWN OF ASSETS UNDER MANAGEMENT OR CUSTODY		
Assets under discretionary asset management agreements	357,077	373,828
Other assets under management or custody	4,053,253	4,277,685
Total assets under management or custody (including double counting)	4,410,330	4,651,513
- of which, double counting	-	-
CHANGE IN ASSETS UNDER MANAGEMENT OR CUSTODY		
	2025	2024
Total assets under management or custody (including double counting) at beginning of year	4,651,513	4,373,888
+/- Net new money inflows/(outflows)	17,592	(308,470)
+/- Price gains/(losses), interest, dividends and currency gains/(losses)	(56,441)	510,450
+/- Currency gains/(losses) related to the adjusted value of Lebanese securities traded on the Beirut Stock Exchange in blocked US dollars	(187,893)	-
+/- Other effects	(14,441)	75,645
Total assets under management or custody (including double counting) at end of year	4,410,330	4,651,513

Assets under management include all asset classes for which wealth management or advisory services are provided, or for which the bank performs execution services. Included within assets under management as at 31 December 2025 are CHF 230 million of Fiduciary Deposits held with Bank Audi sal recorded at nominal value. These Fiduciary Deposits have all matured by December 31, 2023. In accordance with the requirements of the Central Bank of Lebanon, these funds are not transferable outside of the country. In addition, managed assets as at 31 December 2025 also included CHF 3 million of proceeds of sale/redemption of Lebanese securities which are also non-transferable.

Assets under discretionary asset management agreements are those for which clients have signed a discretionary asset management agreement.

Net new money comprises a combination of several factors. Firstly, inflow of funds resulting from the acquisition of new clients as well as fresh funds from existing clients. Secondly, outflows, subtracted from total inflows, comprising partial or total withdrawals of existing clients' assets. Changes in the value of assets caused by market effects (particularly price movements or interest / dividend payments) or interest charges, fees or expenses debited from clients are not included in the calculation of net new money inflows / outflows.

Foreign exchange differences linked to the adjusted value of Lebanese securities, relate to securities traded on the Beirut Stock Exchange in blocked US dollars which have been restricted locally since the start of the 2019 financial crisis, and valued at a significant discount to US dollar fresh funds subsequently transferred to the country.

Other changes include the variation in assets under management or custody generated from financing provided by the Bank.

9. INFORMATION ON INCOME STATEMENT

9.1 BREAKDOWN OF THE RESULT FROM TRADING ACTIVITIES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	2025	2024
BREAKDOWN BY BUSINESS ACTIVITY		
Trading activities for the account of the client	5,981	6,318
Trading activities for own account	552	1,834
Total result from trading activities	6,533	8,152

	2025	2024
BREAKDOWN BY BUSINESS TYPE		
Result from trading activities from:		
- Equity securities (including funds)	2,049	3,077
- Foreign currencies	4,484	5,075
Total result from trading activities	6,533	8,152

9.2 DISCLOSURE OF MATERIAL REFINANCING INCOME IN THE ITEM INTEREST AND DISCOUNT INCOME AS WELL AS MATERIAL NEGATIVE INTEREST

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	2025	2024
SNB negative interests paid	(308)	-

9.3 BREAKDOWN OF PERSONNEL EXPENSES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	2025	2024
Salaries	(28,166)	(26,192)
Social security benefits	(2,068)	(1,897)
Pension fund expenses	(2,056)	(1,771)
Other personnel expenses	(1,132)	(1,591)
Total personnel expenses	(33,422)	(31,451)

9.4 BREAKDOWN OF GENERAL AND ADMINISTRATIVE EXPENSES

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	2025	2024
Office space expenses	(744)	(678)
Expenses for information and communications technology	(3,729)	(3,266)
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	(12)	(19)
Fees of audit firm	(380)	(460)
- of which, for financial and regulatory audit	(380)	(460)
Other operating expenses	(7,430)	(6,656)
Total general and administrative expenses	(12,295)	(11,079)

9.5 COMMENTS ON SIGNIFICANT LOSSES, EXTRAORDINARY INCOME AND EXPENSES AS WELL AS MATERIAL RELEASES OF HIDDEN RESERVES, RESERVES FOR GENERAL BANKING RISKS AND VALUE ADJUSTMENT AND RELEASED PROVISIONS

Significant losses

The Bank did not record any significant losses in the year under review.

Extraordinary income

The Bank recorded an extraordinary income of KCHF 173 following a reimbursement of legal fees related to a dispute from previous years.

Extraordinary expenses

The Bank did not record any significant extraordinary expenses in the year under review.

Hidden reserves

There was no dissolution of hidden reserves during the year under review.

Reserves for general banking risks

There was no creation or release of reserves for general banking risks during the year under review.

Value adjustment and released provisions

Changes in provisions and other significant value adjustments are shown in the table detailing corrections of values and provisions (Note 7.11).

9.6 PRESENTATION OF CURRENT TAXES, DEFERRED TAXES AND DISCLOSURE OF TAX RATE

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	2025	2024
Current taxes	(2,005)	(3,669)
Total taxes	(2,005)	(3,669)
Weighted average tax rate based on the operating result	15%	17%



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REGULATORY DISCLOSURES



Table KM1: General regulatory key figures (KM1)

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

TOTAL ELIGIBLE CAPITAL		31/12/25	31/12/24			
1	Eligible common equity (CET1)	224,909	217,079			
2	Common equity (T1)	224,909	217,079			
3	Total eligible equity	233,975	224,887			
RISK WEIGHTED ASSETS (RWA)		31/12/25	31/12/24			
4	RWA	364,354	306,117			
4a	Minimum capital requirements	29,148	24,489			
CAPITAL RATIOS BASED ON RWA (IN % OF RWA)		31/12/25	31/12/24			
5	Core equity Tier 1 ratio (CET1)	61.73%	70.91%			
6	Core equity ratio	61.73%	70.91%			
7	Total global equity ratio	64.22%	73.46%			
CONSERVATION REQUIRED CET1 BUFFER (IN % OF RWA)		31/12/25	31/12/24			
8	Minimum conservation buffer requirement as per Basel (2.5% since 2019)	2.50%	2.50%			
9	Minimum countercyclical buffer requirement as per Basel	0.00%	0.00%			
10	Additional supplementary buffer for national and international systemic risk	0.00%	0.00%			
11	CET1 Capital target and countercyclical buffer	2.50%	2.50%			
12	Available CET1 capital to meet CET+ target and countercyclical buffer	55.73%	64.91%			
CAPITAL TARGETS ACCORDING TO CAO ANNEX 8 (IN % OF RWA)		31/12/25	31/12/24			
12a	Capital conservation buffer according to CAO Annex 8	2.50%	2.50%			
12b	Countercyclical buffer requirement according to CAO Art. 44 et 44a	0.00%	0.00%			
12c	CET1 capital target, including counterparty buffer according to CAO Art. 44 et 44a	7.00%	7.00%			
12d	T1 capital target, including countercyclical buffer according to CAO Art. 44 et 44a	8.50%	8.50%			
12e	Total capital target, including countercyclical buffer according to CAO Art. 44 et 44a	10.50%	10.50%			
LEVERAGE RATIO		31/12/25	31/12/24			
13	Leverage ratio exposure	1,252,264	1,140,814			
14	Basel III leverage ratio (in % of leverage ratio exposure)	17.96%	19.03%			
LIQUIDITY COVERAGE RATIO (LCR)		31/12/25	30/09/25	30/06/25	31/12/25	31/12/24
15	LCR numerator: total high-quality liquid assets (HQLA)	538,903	444,690	405,629	408,854	332,219
16	LCR denominator: total net cash outflows	50,794	38,958	41,445	43,724	36,042
17	Liquidity Coverage Ratio, LCR (in %)	1060.95%	1141.47%	978.71%	935.09%	921.76%
NET STABLE FUNDING RATIO (NSFR)		31/12/25	31/12/24			
18	Available stable funding	1,000,847	850,566			
19	Required stable funding	271,782	280,448			
20	Net stable funding ratio, NSFR (in %)	368.25%	303.29%			

Table OV1: Overview of Risk Weighted Assets (RWA)

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

RISK WEIGHTED POSITIONS	Approach	RWA		Minimum capital requirements
		31/12/25	31/12/24	31/12/24
1 Credit and counterparty risks	Standard	128,489	162,098	10,279
10 Credit valuation adjustments (CVA)		4,505	178	360
20 Market risk	De minimis	164,049	27,681	13,124
24 Operational risk	Basic indicator	67,311	115,559	5,385
25 Amounts below the thresholds for deduction (subject to 250% risk weight)		-	601	-
27 Total		364,354	306,117	29,148

TABLE CR1: CREDIT RISK - CREDIT QUALITY OF ASSETS

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

Gross carrying values of:

CREDIT QUALITY OF ASSETS	Defaulted exposures	Non-defaulted exposures	Value adjustments/ impairments	Net values
1 Loans (excluding debt securities)	972	1,022,088	598	1,022,462
2 Debt securities	-	190,574	-	190,574
3 Off-balance sheet exposures	-	22,697	-	22,697
4 Total	972	1,235,359	598	1,235,733

TABLE CR4: CREDIT RISK - EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS UNDER STANDARDISED APPROACH

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

EXPOSURE CLASS	Exposure before CCF and CRM:		Exposure post CCF and CRM:		RWA	RWA Density
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet		
1 Central governments and central banks	595,390	-	595,390	-	-	0%
2 Public sector entities	-	-	109,789	20	24,406	22%
4 Banks	219,990	2,597	110,201	1,023	24,375	22%
6 Corporates	129,195	1,816	111	-	111	100%
8 Retail	221,352	18,229	31,608	192	32,261	101%
9 Other commercial real estate exposures	18,491	-	18,490	-	18,490	100%
10 Equity and subordinated debt	2	-	2	-	4	200%
11 Other assets	29,214	55	29,214	-	28,842	99%
12 Total	1,213,634	22,697	894,805	1,235	128,489	14%

TABLE ORA: OPERATIONAL RISK

Operational Risk information is available under the section 11 "Notes to the financial statements", note 3.5.

TABLE IRRBBA: INTEREST RATE RISK - OBJECTIVES AND GUIDELINES FOR INTEREST RATE RISK MANAGEMENT IN THE BANKING BOOK

Interest Rate Risk Management information is available under the section 11 "Notes to the financial statements", note 3.3.1.

Interest rate risk on the Bank's portfolio (IRRBB) refers to the current or future risk to which the Bank's equity and net income from interest operations are exposed due to fluctuations in interest rates. The Bank defines the risk-taking strategy for interest rate risks in the banking portfolio by setting limits approved by the Board of Directors based on available capital, liquidity and current income.

The Bank has chosen the following assumptions and parameters for regulatory calculations:

- A statistical approach has been chosen for the replication keys and payment flows for "category II to IV" balance sheet items.
- Cash flows are discounted based on average rates, and intermediate rates are calculated by linear interpolation.
- The income effect is calculated based on the scenario where the balance sheet is considered "constant", and the size and structure of the balance sheet are maintained; this assumes a like-for-like replacement of maturing assets and liabilities.

The limits are expressed as:

- sensitivity limits of the economic value of equity (EVE)
- sensitivity limits of the net interest margin over a rolling year (NII)

The Bank has implemented the FINMA scenarios on the interest rate risk in the banking portfolio published in the circular 2019/2. These scenarios cover EVE changes as well as the impact on NII of interest rate shock scenarios.

TABLE IRRBBA1: INTEREST RATE RISK - QUANTITATIVE INFORMATION ON THE EXPOSURE'S STRUCTURE AND INTEREST RATE REPRICING DATE

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	Volume in million of CHF			Average interest rate repricing date (in years)		Maximum interest rate repricing period (in years) for exposures with modeled (non-predetermined) interest rate repricing dates	
	Total	Of which in CHF	Of which other currencies*	Total	Of which in CHF	Total	Of which in CHF
DEFINED INTEREST RATE REPRICING DATE							
Amounts due from customers	328,485	135,625	189,863	0.15	0.20		
Fixed-rate mortgages	18,575	18,575	-	0.25	0.25		
Financial investments	190,572	-	190,572	2.15	-		
Receivables from interest-rate derivatives	445,152	22,666	402,329	0.05	0.05		
Payables from interest-rate derivatives	(456,790)	(342,849)	(101,123)	0.06	0.04		
UNDEFINED INTEREST RATE REPRICING DATE							
Amounts due from banks	84,659	2,418	75,201	0.08	0.08		
Amounts due from customers	22,524	2,958	18,238	0.22	0.22		
Amounts due to customers	(778,327)	(51,325)	(708,779)	0.22	0.22		
Other payables	(29,538)	(12,885)	(16,600)	0.08	0.08		
Total	(174,688)	(224,817)	49,701	3.26	1.14		

*Significant currencies that make up more than 10% of assets or liabilities

TABLE IRRBB1: INTEREST RATE RISK - QUANTITATIVE INFORMATION ON THE EXPOSURE'S NET PRESENT VALUE AND INTEREST RATE INCOME

(EXPRESSED IN THOUSANDS OF SWISS FRANCS)

	EVE (changes in the net present value)		NII (changes in the discounted earnings value)	
	31/12/25	31/12/24	31/12/25	31/12/24
Parallel upward shift	(5,139)	(2,497)	679	(783)
Parallel downward shift	5,485	2,562	(669)	765
Steeper curve shock	66	1,070		
Flatter curve shock	(1,095)	(1,516)		
Upward short-term interest rate shock	(2,843)	(2,206)		
Downward short-term interest rate shock	3,002	2,259		
Maximum	5,485	2,497	(679)	783

	31/12/25	31/12/24
Tier 1 capital	224,909	217,079

TABLE LIQA: LIQUIDITY - LIQUIDITY RISK MANAGEMENT

Liquidity Risk Management information is available under the section 11 "Notes to the financial statements", note 3.4.

The Bank's liquidity requirements, which includes the Bank's credit and bond portfolios, are financed by client deposits and the Bank's existing equity. Such client deposits are well-diversified and are spread over the Bank's entire client base. Therefore, the Bank does not use or require external funding to support its banking activity. To extent that refinancing might be required, the Bank would adopt a centralized strategy with its correspondent banks.

The Bank monitors and manages its risk appetite through liquidity limits, ratios, and stress tests. The Bank's liquidity risk appetite is based on the following three principles:

- ensure the Bank has a sufficient amount of unencumbered liquid assets to cover its financial requirements, in both normal and stressed conditions;
- ensure the Bank keeps a liquidity buffer above the minimum regulatory requirement; and
- ensure the Bank maintains diversified and stable sources of funding.

In terms of liquidity contingency planning, stress tests and projections are performed on a regular basis and form part of the annual budgeting and liquidity & capital planning exercise. In addition, the Bank has formulated a Contingency Funding Plan which defines tolerance/alert liquidity levels which are monitored daily. The Bank's tolerance to liquidity risk is defined as low to medium, hence the requirement to have detailed daily controls and monitoring.

Treasury positions are monitored on a daily basis in order to ensure proper and adequate funding of all Bank operations, within defined counterparty limits approved by the Board of Directors. Moreover, a detailed overview of all liquidity positions by maturity, currency and counterparty is monitored regularly by the Bank's Asset & Liability Management Committee, and summarized and reported quarterly to the Audit & Risk Committee and Board of Directors.

CORPORATE GOVERNANCE

Bank's conduct, controls and risk management are available under the section 11 "Notes to the financial statements", note 3.

The composition of the Board of Directors, as well as the professional background and training of its various members, are available under the section 3 "Board of Directors".

The composition of the Executive Committee, as well as the professional background and training of its various members, are available under the section 4 "Executive Committee".



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