This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the information concerning the Group presented in the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Banque Banorient France
(Formerly Blom Bank France)
Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

DELOITTE & ASSOCIES
Tour Majunga
6, place de la Pyramide
92908 Paris-La Défense cedex
S.A.S. au capital de € 2 188 160
572 028 041 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Banque Banorient France
(Formerly Blom Bank France)
Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of Banque Banorient France,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Banque Banorient France for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

- Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

- Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Impairment of credit risk

Risk identified	Your Company records impairments to cover the credit risk inherent in its operations. All such impairments are recorded under "Impairment of receivables" in assets, or “Provisions” in liabilities. Your Company's portfolio of doubtful customer loans totals € 67.5 million as at December 31, 2021, for an impairment of € 47,6 million. The cost of risk for fiscal year 2021 amounts to € 0.4 million. Your Company determines the provisions on a case-by-case basis, taking into account in the assessment of the risk the debtor's creditworthiness, as well as, in particular for real-estate loans, the estimate of the various guarantees held (real-estate assets and deposits pledged as collateral). The impairment methods applied by your Company are described in Note II.8 to the consolidated financial statements. The financial data are set out in the tables in Notes III.2 e) and III.2 f) to the consolidated financial statements. Some doubtful receivables relate to customers belonging to a sector or geographical area in difficulty (particularly some countries in the Middle East). These loans are monitored closely by your Company's Management. Provision estimates involve the exercise of judgment by Management regarding the following: valuation of guarantees, the time period over which guarantees are discounted and the additional discount in certain situations, as well as the potential impacts of the Covid-19 global crisis.

	We considered the impairment of credit risk to be a key audit matter, as the assessment of this risk requires Management judgment and estimates.
Our response	Our audit approach is based on our assessment of the relevance of the procedures and control system relating to the identification and monitoring of customer credit risks and the determination of any related impairment, in the context of the Covid-19 global crisis. We held meetings with the individuals responsible for risk monitoring in order to familiarize ourselves with governance practices and procedures implemented to assess impairment. We conducted an analysis on a sample of files and assessed in particular: ► the legal documentation of collateral assets seized; ► the existence of annual revaluations of these assets at each closing, by external experts; ► the consideration of additional discounts, where applicable, for loans located in a geographical area in difficulty. In addition, we analyzed the change in outstandings and impairment during fiscal year 2021. We also reviewed the disclosures presented in the consolidated financial statements relating to credit risk.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Banque Banorient France by your Annual General Meeting held on June 29, 2006 for Deloitte & Associés and on May 9, 1997 for ERNST & YOUNG Audit.

As at December 31, 2021, Deloitte & Associés and ERNST & YOUG Audit were in the sixteenth and twenty-fifth year of total uninterrupted engagement, respectively.

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

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

In preparing the consolidated financial statements, Management is responsible for assessing the 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 it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

- Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, May 6, 2022

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Marjorie Blanc Lourme	Bernard Heller

BANQUE BANORIENT FRANCE

CONSOLIDATED BALANCE SHEET

In Euros

ASSETS	31 décembre 2021	31 décembre 2020
CASH, CENTRAL BANKS, POSTAL OFFICE & BANKS	**1 578 538 355,98**	**1 414 111 285,18**
CUSTOMER TRANSACTIONS	**520 713 635,81**	**533 821 996,91**
FINANCE LEASES AND EQUIVALENT	**0,00**	**0,00**
BONDS, DEBT SECURITIES AND OTHER FIXED INCOME SECURITIES	**216 813 723,90**	**156 338 277,19**
INVESTMENTS IN AFFILIASTED UNDERTAKINGS, PARTICIPATION INTEREST AND PORTFOLIO SECURITIES	**52 852 100,00**	**48 782 680,49**
TANGIBLE AND INTANGIBLE ASSETS	**74 407 153,74**	**71 065 402,48**
GOODWILL	**0,00**	**0,00**
PREPAYMENTS, ACCRUED INCOME AND SUNDRY ACCOUNTS	**20 361 036,52**	**17 810 068,41**
TOTAL ASSETS	**2 463 686 005,95**	**2 241 929 710,66**

LIABILITIES	31 décembre 2021	31 décembre 2020
TREASURY OPERATIONS AND INTERBANK TRANSACATIONS	**24 223 894,20**	**28 624 431,88**
CUSTOMER ACCOUNTS	**2 097 634 883,12**	**1 885 200 785,07**
ACCRUALS, DEFERED INCOME, SUNDRY ACCOUNTS AND OTHER	**20 078 674,11**	**24 680 624,11**
PROVISIONS	**2 374 317,67**	**2 549 240,93**
FUND FOR GENERAL BANKING RISKS (FGBR)	**97 987,42**	**93 714,87**
SUBSCRIBED CAPITAL	**135 000 000,00**	**135 000 000,00**
SHARE PREMIUM ACCOUNT	**0,00**	**0,00**
RESERVES	**180 309 020,34**	**160 289 156,65**
YEAR'S PROFIT	**3 967 229,09**	**5 491 757,15**
TOTAL LIABILITIES	**2 463 686 005,95**	**2 241 929 710,66**

(*) Clients deposits : We must take into consideration, in addition to the above amount, the other client funds not included in BANQUE BANORIENT Suisse balance sheet (Fiduciary deposits placed outside the group and the client's securities portfolio) nor in BANQUE BANORIENT FRANCE balance sheet (client's securities portfolio) these funds amounts to EUR 622 Millions, which bring the total client deposit to EUR 2 720 "USD 3 081" (compared to EUR 2 507 Millions et the end of 2020)

OFF BALANCE SHEET	31 décembre 2021	31 décembre 2020
COMMITMENTS GIVEN		
FINANCING COMMITMENTS	**13 256 894,59**	**14 511 866,98**
GUARANTEES	**95 941 253,11**	**81 109 138,92**
COMMITMENTS GIVEN ON SECURITIES	**0,00**	**0,00**
COMMITMENTS RECEIVED		
FINANCING COMMITMENTS	**0,00**	**0,00**
GUARANTEES	**10 797 751,80**	**15 242 378,88**
COMMITMENTS RECEIVED ON SECURITIES	**0,00**	**0,00**

BANQUE BANORIENT FRANCE

In Euros

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	31 décembre 2021	31 décembre 2020
INTEREST AND SIMILAR INCOME	32 581 063,91	35 930 142,65
INTEREST AND SIMILAR CHARGES	(6 583 548,03)	(8 921 892,40)
INCOME FROM VARIABLE -YIELD SECURITIES	3 352 625,29	107 165,98
COMMISSION (INCOME)	11 189 153,99	12 022 593,04
COMMISSION (EXPENSES)	(2 105 719,42)	(2 373 064,27)
+/- PROFIT OR LOSS ON NEGOCIABLE PORTFOLIO TRANSACTIONS	2 840 242,01	3 897 084,14
+/- PROFIT OR LOSS ON PORTFOLIO HELD FOR SALE AND EQUIVALENT	(178 109,64)	0,00
OTHER BANKING OPERATION INCOME	936 326,56	867 640,30
OTHER BANKING OPERATION CHARGES	(589 690,34)	(262 589,53)
+/- MARGIN ON INSURANCE ACTIVITIES	0,00	0,00
+/- NET OF THE OTHER ACTIVITIES	171 712,16	210 237,40
NET BANKING EARNING	**41 614 056,49**	**41 477 317,31**
GENERAL OPERATING CHARGES	(32 638 550,52)	(31 268 542,39)
DEPRECIATION EXPENSES AND PROVISIONS FOR INTANGIBLE AND TANGIBLE FIXED ASSETS	(2 832 762,95)	(2 836 774,67)
GROSS TRADING RESULT	**6 142 743,02**	**7 372 000,25**
+/- RISK COST	(383 391,56)	(337 931,11)
TRADING RESULT	**5 759 351,46**	**7 034 069,14**
+/- SHARE IN THE NET RESULT OF THE COMPANIES PUT IN EQUIVALENCE	0,00	0,00
+/- PROFIT OR LOSS ON FIXED ASSETS	150 268,32	(71 914,20)
ORDINARY PRE-TAX PROFIT OR LOSS	**5 909 619,78**	**6 962 154,94**
+/- EXCEPTIONNAL PROFIT OR LOSS	0,00	0,00
INCOME TAX	(1 942 390,69)	(1 470 397,78)
ALLOCATION FOR AMORTIZATION OF GOODWILL	0,00	0,00
+/- ALLOCATION FOR FUNDS FOR GENERAL BANKING RISKS	0,00	0,00
+/- MINORITY SHARE		0,00
PROFIT OR LOSS FOR THE FINANCIAL YEAR GROUP SHARE	**3 967 229,09**	**5 491 757,16**
PROFIT OR LOSS BY SHARE	0,88	1,22
PROFIT OR LOSS DILUTED BY SHARE	0,88	1,22

NOTES TO THE 2021 CONSOLIDATED FINANCIAL STATEMENTS

NAME CHANGE

Considering the current macro-economic and financial crisis affecting Lebanon, and adhering to our policy of non exposure to Lebanese either sovereign or financial institutions risks, the Shareholders General Assembly held on 22 October 2020 has decided to change the bank's name BLOM BANK France and adopt one of our original denominations at inception under a modernized designation "Banque Banorient France".

The name change is a reflection and added emphasis on the separate legal status of the bank, which is regulated by Banque de France and supervised by the ACPR (Autorité de Contrôle Prudentiel et de Résolution) and local authorities in our countries of presence, who approved this change.

The Bank's new logo was designed following a survey conducted amongst a sample of our various stakeholders, it depicts our longstanding values portrayed by the solidity of the shield, our mission to throw a bridge between Europe and the Middle East reflected through the Phoenician vessel, and our European incorporation as highlighted by the stars of the European flag.

I/ PRINCIPLES OF CONSOLIDATION

I.1 General

The consolidated financial statement presented hereunder includes the accounts of:

- BANQUE BANORIENT SUISSE
- "SC LOTUS SERVICES AND TRADING SRL" (Romania)
- "Société Immobilière rue Toepffer N°1 SA" (Switzerland)

These three companies are under exclusive control and have been consolidated using the full consolidation method as their activities are an extension of banking, financing or related activities, as fixed by the article L.311-2 of the monetary and financial code, even when, **like in the case of the service company "LOTUS SERVICES", or of the "Société Immobilière rue Toepffer N°1 SA"** the individual accounts are structured differently than those of the other companies included in the consolidation, because they belong to different sectors such as insurance, real estate or computer science and service.

The financial statements of these three companies have been prepared accordingly to the local accounting regulations, including the adjustments and reclassifications necessary to comply with the CRC n°99-07 regulation of the « Accounting Regulation Committee », as well as with the rules generally adopted by the French and international banking industry.

The investments of BANQUE BANORIENT FRANCE in companies, the activity of which cannot be considered as an extension of the Bank's activity, are not consolidated if they do not match with the consolidated criteria specified by the ANC 2014-07.

BANQUE BANORIENT FRANCE Group accounts are consolidated in the accounts of its parent company BLOM BANK S.A.L. (Lebanon) using the full consolidation method.

I.2 Consolidation Methods

The global consolidation method has been adopted to prepare the consolidated financial statements, as BANQUE BANORIENT FRANCE holds more than 50 % of BANQUE BANORIENT SUISSE capital, as well as of SC LOTUS SERVICES and Société Immobilière rue Toepffer N°1 SA.

The global consolidation method consists in replacing the value of the securities on hand by each of the elements of the assets and liabilities of the subsidiary, then in eliminating all reciprocal operations between the parent company and the subsidiary.

The share of minority interest in the equity and the results of operations are shown separately in the consolidated balance sheet and consolidated in the income statements.

I.3 Goodwill

The original amount of the goodwill being the positive difference between the acquisition value of the shares of BANQUE BANORIENT SUISSE and the net book value of these shares at their acquisition date has been entirely amortized.

II/ ACCOUNTING RULES AND EVALUATION METHODS

II.1 General

As stated above, the financial statements are prepared and presented in accordance with the ANC 2014-07 regulation. The rules to be followed for the preparation of the balance sheet and the income statement are in accordance with the accounting standards of the banking industry in France. These accounts were prepared in conformity with the conservatism and consistency concepts and the continuity of the evaluation method.

II.2 Accrual basis of accounting

Expenses and revenues are usually recorded using the « accrual basis of accounting ».

II.3 Interest and commissions

Interest and related commissions are accounted on the accrued amount basis.
Commissions which are not similar to interest are accounted according to their allowance nature.
The commissions remunerating punctual services are immediately accounted into the profit or loss.
The commissions remunerating continuous services are accounted on the remaining life of the allowance.
Expenses and revenues in currencies are accounted into the profit and loss, in the currencies of the operations at the accounting date. At the end of each month, at the closing date, the accounts of the profit and loss in currencies are converted in local currency according to the official fixing rates.

II.4 Foreign currency translation

The financial statements recorded in the local currency of the consolidated company have been translated into Euros at the official year end closing rate for the balance sheet, and at an average year rate for the income statement.
The exchange difference resulting from the translated net worth at closing, as compared to its historical value, is posted into a separate account under net worth, labelled «Currency Translation Profit », and is added or deducted from the consolidated reserves in the balance sheet.
Therefore, the difference resulting from the translated net worth at closing as compared to its historical value is not accounted for in P&L statement but posted into separate account among reserves under net worth.
Whenever local regulation requires the accounting as revenue or as a loss of any exchange difference resulting from the translated net worth or from any other structural position, a reprocessing is carried out in order to neutralize the impact on P & L. This reprocessing consists in earmarking the exchange difference resulting from the translated net worth or any other structural position, within regularization accounts related to capital allocation of branches. Said exchange difference resulting from structural position, if unfavourable and entailing an irreversible and final loss, is subject to a provision allowance.

II.5 Foreign currency transactions

In accordance with the ANC 2014-07 regulation, the assets, the liabilities as well as the term exchange contracts appearing in the off balance sheet are converted at the market closing date rates or at the nearest preceding rates. It is the same regarding the profit and the charges received, paid or accrued which are converted at the market closing rates, at the minimum.
At each closing date, the result of the conversion (either a profit or a loss) at the market closing rates of the term exchange operations (forwards or other term operations) is posted in profit or loss accounts.

The interest difference relating to hedged forward exchange operations are spread in the profit or loss accounts over the actual duration of the hedged operations.

II.6 Loans and receivables:

Amounts due from credit institutions and customers are broken down by their original duration or the nature of the competitions: receivables (ordinary accounts and day-to-day transactions) and term receivables for credit institutions, commercial receivables, ordinary accounts and other assistance to the customer base. Commissions received and marginal transaction costs incurred when granting loans are assimilated to interest and are spread out as income over the effective life of the loans.

When a commitment carries a credit risk proven making it probable that Banque Banorient will not collect all or part of the sums due to the commitments subscribed by the counterparty in accordance with the provisions initial contractual obligations, notwithstanding the existence of guarantees, the related outstanding is classified as doubtful outstanding. In any state of cause, the downgrading to doubtful outstanding is carried out if there is one or more unpaid for at least three months (six months for real estate claims and nine months for claims on local authorities), or if, independently of the existence of any unpaid one can conclude that there is a proven risk, or whether there are litigation procedures.

II.7 Debts:

Debts to credit institutions and customers are broken down according to their original term or the nature of these debts: sight debts (sight deposits, ordinary accounts) and term debts to credit institutions; plan savings accounts. Accrued interest on these debts is carried in the accounts of debts attached against the income statement.

II.8 Unpaid loans, doubtful debts and provisions.

The loans unpaid for a period not exceeding three months remain in their original accounts. However, all kind of loans presenting a partial or total risk of non-recovery, or presenting a contentious aspect, are transferred to « bad debts and claims » and are added to « Customers overdrafts ».
In such cases, provisions are set up by a debit in the profit and loss account. The calculation of the depreciation is based on the valuation of the actualised values of the guarantees, compared to the gross risk. If interests on such loans continue to be accrued, these interests will have a 100 % provision. All these provisions are deducted from the loans value in the balance sheet.

In the “notes on the balance sheet”, appears the outstanding of doubtful and provisions.
The doubtful outstanding presentation is made in accordance with the ANC 2014-07 regulation of the "Accounting Regulation Committee" concerning the presentation of incurred credit risk.
In BANQUE BANORIENT FRANCE books, there are no restructured loans with out of market conditions.

Provisions are computed on a case by case basis taking into consideration the quality of the debtor customer to evaluate the risk and, in case of a real estate loan, a conservative estimation of the various securities held (such as real estate assets, etc...), the deposits blocked in guarantee and the decision of the bank to follow up the transactions until their final stage in order to better preserve its interest.

Country risk exposure is also provisioned, following the recommendations of December 17th 1998 letter jointly signed by the treasury manager and the fiscal legislation manager.

II.9 Securities Portfolio

In accordance with the ANC 2014-07 regulation, the securities are classified according to:

-Their nature: government securities (Treasury bonds and assimilated securities), bonds (obligations) and the other fixed-income securities (negotiable debt securities and interbank market securities), shares and the other variable-income securities

- Their portfolio of destination: trading, held for sale, investment, corresponding to the economic object of their detention. For every category of portfolio, they are subjected to similar rules of evaluation which are the following:

Trading Securities

They are negotiable stocks on a liquid market that are acquired with the intention of reselling (or repurchasing) in the short term. They are subject to an evaluation on the basis of their market value in the closing date of the exercise. The balance of the latent earnings and losses thus noticed, as well as the balance of the earnings and losses realized on the transfer of the securities, is carried at the expense of net income of the financial operations. The coupons collected on the fixed-income securities of the portfolio of transactions are classified in the earnings report (profit and loss account) within the column *Net income of interests relative to the bonds and the other fixed-income securities.*

Securities held for sale

Are considered as securities held for sale, the securities that are listed neither in the trading securities nor in the investment securities.

Shares and other variable-income securities

The shares are registered on the balance sheet at their acquisition price or at their value of contribution. At the closing of the period, they are estimated with regard to their likely value of negotiation. In the case of listed securities, the value is determined according to the most recent stock quotes. Only the latent depreciations are booked by the registration of a provision for depreciation of the portfolio securities. The incomes of dividends attached to the shares of investment are carried in the profit and loss accounts in the column *Incomes of variable-income securities*.

Bonds (Obligations) and other fixed-income securities

These securities are registered on the balance sheet at their price of acquisition except acquisition costs and, concerning the bonds, except accrued interests at the date of acquisition. The differences between the prices of acquisition and the redemption price are amortised (or entered as income), as appropriate, over the remaining life of the securities. The accrued interest to collect and the other fixed-income securities of investment are carried in the column *Products of interest relative to the bonds (obligations) and the other fixed-income securities* of the profit and loss account.

At the closing of the period, the securities are estimated on the basis of their likely value of negotiation and, in the case of listed securities, the most recent stock quotes. The latent surplus is not booked and the latent depreciations give place to the constitution of a provision for depreciation of the portfolio securities, the calculation of which takes into account earnings resulting from possible hedging operations.

Investment Securities

Fixed-income securities with a fixed redemption price shall be regarded as investment securities when they have been acquired with the intention of holding them on a long-term basis, in principle until maturity. Institutions which record securities as investment securities must have sufficient resources to enable them:

- Either to protect themselves in a permanent way against a depreciation of the securities due to the variations of interest rate by means of a coverage by forward and options contracts of interest rate,
- Or to hold effectively the securities durably by the obtaining of resources, including the available stockholders' equity, globally matched and earmarked for the financing of these securities.

The investment securities are booked in an identical way in securities held for sale. However, in the closing of the period, the latent depreciations do not give place to the constitution of a reserve for depreciation of the portfolio securities, except if there is a strong probability of transfer of the short-term securities, or if there are risks of default of the issuer of the securities.

Securities of the activity of portfolio

They are investments realized with the only purpose to get some earning from them in medium-term capital, without intention to invest durably in the development of the issuing company, or to participate actively in its management. These securities are registered on the balance sheet at their lower historical cost value or their utility value (this one being determined by taking into account general perspectives of evolution of the issuer and the residual duration of detention). The value of utility of listed securities is mainly determined in reference to stock quotes over a long period. The latent surplus is not booked and the latent depreciation gives place to the constitution of a provision for depreciation of the portfolio securities.

Equity securities, shares in the bound companies and other securities held in the long run

These are on the one hand: A- Equity securities and shares in the connected companies for which the durable ownership is considered useful to the activity of the company, particularly those answering the following criteria:

— Securities of companies having common directors or managers with the holder company, in conditions which would allow to exercise an influence on the issuer.

— Securities of companies belonging to the same group controlled by physical or moral persons exercising a control over the whole and taking advantage of a unity of decision.

— Securities representing more than 10 % of the rights in the capital issued by a credit institution or by a company, the activity of which stands in the continuation of that of the Group.

And on the other hand: B- Other securities held in the long run, composed of the investments realized in securities form by the company in order to favour the development of long lasting professional relations by creating a privileged link with the issuer company, without however exercising any influence in its management because of the weak percentage of the rights to vote they represent.

Equity securities, shares in the bound companies and the other securities held in the long run are booked at their cost of purchase except acquisition costs. The incomes of dividends attached to these securities are registered in the profit and loss account in the column *Incomes of variable-income securities*.

At the closing of the period, equity securities and shares in the bound companies are estimated at their utility value representative of the price the company would agree to pay out to obtain these securities if it had to acquire them considering its objective of detention. This value is estimated in reference to various criteria such as stockholders' equities (own capital), profitability, average rates of stock exchange over a long enough period; the latent surplus are not booked and the latent depreciations give place to the constitution of a provision for depreciation of the portfolio securities.

II.10 Fixed Assets

Fixed assets are recorded at their acquisition value and are depreciated according to their estimated useful life on a linear basis. Key money is amortised on a linear basis over a period not exceeding five years. In case the real depreciation amortisation exceeds the applied amortisation, a correction is made by taking additional provisions.
The charges of the amortisations are accounted in the profit and loss in the line depreciation expenses for fixed assets.
The rental amounts received of the fixed assets are accounted at the net cost.

The depreciation and amortisation periods applied by all our branches are as follows:
- For built properties: between 35 and 45 years
- For furniture, between 8 and 10 years
- For office and computer equipment, between 5 and 8 years
- For other material, 5 or 10 years
- For leasehold improvement, 10 years (or 5 years for light installations)
- For software, between 3 and 5 years

II.11 Term financial instruments and contingent operations

The hedged rates, exchange or stock term financial instruments are accounted accordingly to the ANC 2014-07 regulation.
These commitments are accounted in the off balance sheet at nominal value of the contracts.
The result relating to these operations are accounted by taking into consideration the type of the instrument and the followed strategy.
Instruments negotiated on organised or equivalent market by mutual agreement, or included in a trading portfolio are, accordingly to ANC 2014-07 regulation, estimated at the closing date market value.
Regarding the instruments negotiated on organised or equivalent market, the results whether a profit or a loss (latent or not) are accounted in the bank books.
On the other hand, the loss or profit of instruments negotiated on practically illiquid market, such as mutual agreement instruments, are accounted into the profit and loss at the contracts maturities or on a time basis depending of the instrument nature. Provisions are accounted on latent loss.

II.12 Local rules

In order to comply with the local regulations, the United Arab Emirates branches are requested to have a legal reserve amounting to 10 % of the net profit of each year. The appropriation of the net profit amount in 2021 was of AED 1 658 836 (399 thousand EUR).
A capital allocation is accounted after the account’s approval to meet with the local rules.

II.11 Deferred taxation

Deferred tax arises each time a temporary differential appears between the recording of a revenue or an expense for accounting purpose and the recording of these for taxation purpose. Deferred tax includes also fiscal deficits of consolidated companies when their deduction out of future income seems to be a reasonable probability.
If a change in the tax rate arises, deferred taxes are adjusted according to the new rate prevailing during the accounting period and this is reflected in the income statements. However, no tax is declared on dividends distributed when the decision to distribute such dividends is not yet known at the end of the financial year.

II.12 Staff benefits

The ANC allowed companies to align with the IFRS calculation method for the distribution of the contribution cost of end of career indemnities.
Following the ANC 2013-02 rule, Banque Banorient has decided to hold on the historical calculation method and not apply the IFRS method.
End of career indemnities for employees, as stipulated in the collective and contractual agreements are accounted for as per vested rights as at 31st December of every year.
The actuarial differences are directly accounted in the profit and loss accounts
Staff benefits are accounted for according to the local regulation of each entity in the liabilities for a total amount of 2 160 K EUR.

The retirement system calculation in France is as follows:

The provisions for retirement indemnity are reviewed every year as per the main following evaluation requirements:

- Age of retirement: 63 years
- Updated rate: 0.53 %
- Salary evolution rate: 2.00 %
- Probability of voluntary retirement within a year: 3.00 %
- Social Security contribution rate: 49.878 %

For the United Arab Emirates, the calculation is of one-month base salary per year of service.
The other entities don’t account any staff benefit provisions

II.13 Provisions for general banking risks

Provisions for general banking risks are the amounts that the management decides to allocate to cover such risks, where prudential reasons require it in the light of the risks inherent in banking operations. These provisions should not be made to cover probable and clearly identified expenses or risks. They are not a provision for risks and charges or a real reserve, because these provisions are constituted by the debit or the credit of the Profit and Loss accounts and not like the reserve by the appropriation of the profit by the shareholders assembly.
The exceeding risks and charges provisions, having the reserve nature, constituted by the foreign affiliates, are reclassified in Provision for General Banking Risks, when the affiliate accounting rules of the country do not plan such item. In this case a deferred taxation is computed and reduces the result of the year.
Provisions for general banking risks, as the charge (or the income) of the year, are notified on a specific line of the Balance sheet and the Profit and Loss Account.

III. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Assets currency spread

(in thousand EUR)	31/12/2021	31/12/2020
- EUR	478 237	402 516
- USD	702 404	604 024
- CHF	447 664	549 643
- GBP	151 180	126 570
- AED	573 395	459 321
- RON	34 219	29 033
- JPY	34 191	55 147
- Other	42 396	15 676
TOTAL	**2 463 686**	**2 241 930**

Remaining maturity spread

ASSETS **2021** *(in thousand EUR)*	Total	Liquidity	<=3month	3m<D<1 Y	1 to 5 years	> 5 years & other	Related receivable
Cash & Central banks	**899 193**	899 192					1
Loans to banks	**679 345**	462 709	146 011	47 917	22 470	100	138
Loans to clients	**520 714**	174 001	41 996	100 073	162 560	41 608	476
Trading Securities	**3 187**	3 187					
Securities held for sale	**23 967**				21 078	2 782	107
Securities held to maturity	**189 660**			4 416	58 693	124 893	1 658
Participations	**52 852**					52 852	
Regularisation accounts and other assets	**20 361**	20 361					
Fixed assets	**74 407**					74 407	
TOTAL	**2 463 686**	**1 559 450**	**188 007**	**152 406**	**264 801**	**296 642**	**2 380**

LIABILITIES **2021** *(in thousand EUR)*	Total	Liquidity	<=3month	3m<D<1 Y	1 to 5 years	> 5 years and other	Related receivable
Banks deposits	**24 224**	23 766					458
Clients deposits	**2 097 635**	2 011 566	64 656	10 897	10 391		125
Financial liabilities							
Regularisation accounts and other liabilities	**20 079**	20 079					
Provisions	**2 374**					2 374	
Equity	**319 374**					319 374	
TOTAL	**2 463 686**	**2 055 411**	**64 656**	**10 897**	**10 391**	**321 748**	**583**

Liquidity = less or equal to 1 month

Healthy & depreciated assets

(in thousand EUR)	Healthy assets	Gross Depreciated assets	Depreciations	Total
Loans to banks	1 578 538			1 578 538
Loans to Clients	500 858	67 468	(47 612)	520 714
Securities portfolio	216 814			216 814
Trading Securities	52 852			52 852
Regularisation accounts and other assets	20 361			20 361
Fixed assets	74 407			74 407
TOTAL	**2 443 830**	**67 468**	**(47 612)**	**2 463 686**

A S S E T S

III.1/ Cash, Central Banks, Post Offices & Banks:

III.1 a) Spread

(in thousand EUR)		31/12/2021		31/12/2020
Cash		**5 140**		**5 458**
Central Banks		**894 052**		**804 860**
Banks				
Sister companies		**170**		**249**
Current accounts	170		249	
Term accounts	0		0	
Other companies		**679 037**		**603 443**
Current accounts	246 078		228 109	
Term accounts	432 959		375 334	
Related receivables		**139**		**101**
TOTAL		**1 578 538**		**1 414 111**

III.1 b) Breakdown of maturities - (Without related receivables)

(in thousand EUR)	At sight and up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5years	More than 5 years	Unlimited maturity
Loans to banks and financial institutions	1 361 901	146 012	47 916	22 470	100	

III.2/ Customers accounts

III.2 a) Spread

(in thousand EUR)		31/12/2021		31/12/2020
- Sister companies:		**0**		**0**
Commercial Claim	0		0	
Other loans & advances	0		0	
Overdraft facilities	0		0	
Undetermined	0		0	
- Other companies:		**520 238**		**533 351**
Commercial Claim	62 819		56 930	
Other loans & advances	281 767		276 986	
Overdraft facilities	152 189		184 646	
Undetermined	23 463		14 789	
- Related receivables		**476**		**471**
TOTAL		**520 714**		**533 822**

III.2 b) Breakdown of maturities - (Without related receivables)

(in thousand EUR)	At sight and up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Unlimited maturity
Client Claims	174 001	41 996	100 073	162 560	18 145	23 463

III.2 c) Breakdown of customer loans by geographic location (Without related receivables)

(By country of residence)

(in thousand EUR)	31/12/2021	31/12/2020
- Europe	115 268	120 191
- Other O.E.C.D countries	1 434	1 314
- Lebanon	54 880	78 107
- Gulf countries	314 696	301 741
- Other Middle East countries	5 004	5 292
- Other countries	28 956	26 706
TOTAL	**520 238**	**533 351**

III.2 d) Breakdown of customer loans by economic sector (Without related receivables)

(in thousand EUR)	31/12/2021	31/12/2020
- Agriculture	11 580	12 295
- Industry	70 357	64 230
- Trade retail	13 555	13 867
- Trade wholesale	77 124	70 476
- Services	54 575	64 156
- Construction and properties	164 707	171 549
- Individuals and other	128 340	136 778
TOTAL	**520 238**	**533 351**

Regarding business transactions, our credit policy favours financing through L/Cs.
In terms of liquidity, customer loans and advances represent only 24.82% of client deposits (24.54% of total deposits).
Our exposure in real-estate business is limited (only 31.6%), whereas the diversification of guarantees is favoured.
The forborne exposure as at December 31st amounts to 11.4 million euros.

III.2 e) Doubtful geographic breakdown

According to the client's residence country and their entry into the doubtful debts

(in thousand EUR)	More than 1 year (Compromised according to the ANC 2014-07 regulation)	Less than 1 year (Non Compromised according to the ANC 2014-07 regulation	Provisions	Net as at 31/12/2021	Net as at 31/12/2020
- Europe	1 289	180	(264)	1 205	1 134
- Other O.E.C.D countries					
- Gulf countries	8 747	19 231	(13 915)	14 063	8 622
- Other Middle East countries	1 318	23 214	(19 944)	4 588	4 101
- Other countries		13 489	(13 489)	0	0
	11 354	**56 114**	**(47 612)**	**19 856**	**13 857**

(*) According to the ANC 2014-07 regulation

III.2 f) Doubtful breakdown by economic sector
According to their entry into the doubtful debts.

(in thousand EUR)	More than 1 year (Compromised according to the ANC 2014-07regulation)	Less than 1year (Non Compromised according to the ANC 2014-07 regulation)	Provisions	Net as at 31/12/2021	Net as at 31/12/2020
- Manufacturing	7 658	3 641	(8 109)	3 190	0
- Trade retail	3 670	31 239	(33 705)	1 205	1 134
- Construction and properties	0	9 389	(2 695)	6 694	4 630
- Services	0	11 845	(3 077)	8 768	8 093
- Individuals and other	26	0	(26)	0	0
	11 354	**56 114**	**(47 613)**	**19 856**	**13 857**

(*) According to the ANC 2014-07 regulation

In parallel, and as part of the follow up of the credit risk, each branch prepares a “WATCH LIST” or identifies a list of sensitive files in case of verified information on a client showing:

- Temporary financial difficulties
- Structural weakness
- Irregular accounts movements
- Being part of a sector or a geographical zone in difficulty (such as some countries of the Middle East)
- Other information received that can in short term have a negative impact on our client (important movements on the shareholders or in the management, temporary or permanent unavailability of the client…)

III.2 g) Advances and loans granted to the management members amount to EUR 1 017 thousand.

III.3 /Securities portfolio

III.3 a) Maturity breakdown - Bonds & other securities.
(Without related receivables and after provisions and deferred premiums)

(in thousand EUR)	At sight & Less than 3 months	From 3 monthso to 1 year	From1 to 5 years	More than 5 years	Unlimited maturity	Total
Government securities						0
Bonds & Other Fixed income securities		4 416	79 771	127 675		211 862
Stocks & Other Variable income securities	3 178					3 178
Total	**3 178**	**4 416**	**79 771**	**127 675**		**215 040**

Related receivables on this portfolio are spread as follows:

- On government securities: 0 Thousand EUR
- On fixed income securities: 1 774 Thousand EUR

Provisions on this portfolio are spread as follows:

- On government securities: Zero
- On fixed income securities Zero
- On variable income securities Zero

III.3 b) Breakdown of the securities portfolio by fixed and variable income.

(Excluding related receivables and after provisions and deferred premiums)

(in thousand EUR)	Trading securities	Securities held for sale	Investment securities	Total
Government securities	**0**	**0**	**0**	**0**
Flat Rate		0		0
Floating Rate / Reviewable				
Bonds & Other Fixed income securities	**0**	**23 860**	**188 002**	**211 862**
Flat Rate		18 379	154 694	173 073
Floating Rate / Reviewable		5 481	33 308	38 789
Stocks & Other Variable income securities	**3 178**	**0**	**0**	**3 178**
Stocks	3 178			3 178
Total	**3 178**	**23 860**	**188 002**	**215 040**

III.3 c) Trading Securities

(in thousand EUR)	31/12/2021	31/12/2020
- Acquisition value	3 193	0
- Positive revaluation	16	0
- Negative revaluation	(31)	0
TOTAL	**3 178**	0

- Movements in 2021 :

(In thousand EUR without related receivables)

2020	Acquisitions	Sales & reimbursements	Exchange rate	Positive revaluation	Negative revaluation	2021
0	3 193	0	0	16	(31)	3 178

III.3 d) Securities held for sale

(in thousand EUR)	31/12/2021	31/12/2020
- Acquisition value	24 282	60 166
- Deferred premiums	0	91
- Capitalised latent capital loss	(422)	
TOTAL	**23 860**	**60 257**
- Latent added value	0	647
- Latent capital loss	0	0
- Provisions	0	0

- Movements in 2021:

(In thousand EUR without related receivables)

2020	Acquisitions	Sales & reimbursements	Transfer to investment securities	Spread out of the premium	Exchange rate	Allowance of Provisions	Reversal of provisions	2021
60 257	19 230	(18 829)	(41 413)	0	4 615	0	0	23 860

A securities transfer from the category “Securities held for sale” to “Investment securities” of an amount of 41 413 was carried out in 2021. This transfer allowed to correct a classification error that has occurred in the 2020 consolidated accounts. The net amount of the securities held for sale should have been of 13 844 (instead of 60 257) and the net amount of the investment securities should have been of 141 221 (instead of 94 808).

III.3 e) Investment securities

- Movements in 2021:
(In thousand EUR without related receivables)

Gross value at the end of 2020	Exchange difference	Acquisitions	Sales	Spread out of the premium	Reimbursements	Gross value at the end of 2021	Provisions	Net value at the end of 2021	End of 2021 market value
94 808	7 910	87 910	41 413	(1 381)	(42 658)	188 002	0	188 002	187 724

A securities transfer from the category “Securities held for sale” to “Investment securities” of an amount of 41 413 was carried out in 2021. This transfer allowed to correct a classification error that has occurred in the 2020 consolidated accounts. The net amount of the securities held for sale should have been of 13 844 (instead of 60 257) and the net amount of the investment securities should have been of 141 221 (instead of 94 808).

III.3 f) Geographic breakdown

(After provisions & without related receivables)

(in thousand EUR)	Trading securities	Securities held for sale	Investment securities	Participations in affiliate companies	Total
OECD Countries	0	12 949	153 295	1 207	167 451
Gulf Countries	0	10 911	34 708	0	45 619
Other			0	51 645	51 645
Total	**0**	**23 860**	**188 002**	**52 852**	**264 715**

This portfolio consists essentially of bonds and certificates of deposits of which components are quoted as “Investment grade” by Moody’s or S&P and are essentially first rank banks.
The total interest of the investment portfolio amounted to EUR 3.6 million in 2021.

III.3 g) Participation in affiliated companies and Securities of the activity of portfolio

(in thousand EUR)		2021
Securities held for portfolio management		**52 852**
-Participation in Transfond (Romania) (*)	1 192	
- BANK AL ETIHAD (**)	51 645	
-Other securities of the portfolio activity	15	
TOTAL		**52 852**

(*) 166 shares representing 2.47%
(**) 27.435.967 shares representing 17.14%

III.3 h) Movements of the participation in affiliated companies during 2021

(in thousand EUR)

Gross value at the end of 2020	Exchange difference	Acquisitions	Sales	Gross value at the end of 2021	Provisions	Net value at the end of 2021
48 894	3 958	0	0	52 852	0	52 852

III.3 i) Information on participation in affiliated companies and Securities of the activity of portfolio

(in thousand EUR)	Capital	Reserves and retained earnings	Last year profit	Total
TRANSFOND	1 358	5 868	5 272	12 498
BANK AL ETIHAD	198 931	393 335	37 354	629 620

III.4/ Tangible and intangible fixed assets and amortisations

III.4 a) Fixed assets: 2021 Movements

(in thousand EUR)	Balance at the end of 2020	Exchange difference	Increase (buying and transfer from an account to another)	Decrease (selling and transfer from an account to another)	Balance at the end of 2021
A) INTANGIBLE FIXED ASSETS	**5 426**	**166**	**225**	**(92)**	**5 725**
Goodwill	1 029		0	0	1 029
Leasehold rights	0		0	0	0
Software	4 376	164	181	(54)	4 667
Organisation Expenses	0		0	0	0
Fixed assets in progress	21	2	44	(38)	29
B) TANGIBLE FIXED ASSETS	**85 322**	**3 030**	**3 655**	**(612)**	**91 395**
Land (*)	13 829	1	0	0	13 830
Building (**)	60 293	2 598	1 973	0	64 864
Office furniture	1 503	67	76	(22)	1 624
Office equipment and computers	2 381	119	200	(83)	2 617
Installations	6 709	222	1 082	(373)	7 640
Miscellaneous	607	23	295	(134)	791
Fixed assets in progress	0	0	29	0	29
C) FIXED ASSETS HELD AS INVESTMENTS	**567**	**(9)**	**0**	**0**	**558**
Land	0	0	0	0	0
Building	567	(9)	0	0	558
T O T A L	**91 315**	**3 187**	**3 880**	**(704)**	**97 678**

Of which fixed assets for rental purpose (*) 1 869 (**) 4 362

III.4 b) Amortisations: 2021 Movements

(in thousand EUR)	Balance at the end of 2020	Exchange difference	Increase (buying and transfer from an account to another)	Decrease (selling and transfer from an account to another)	Balance at the end of 2021
A) INTANGIBLE FIXED ASSETS	**4 318**	**121**	**491**	**(13)**	**4 917**
Goodwill	1 029	0	0		1 029
Leasehold rights	0	0	0	0	0
Software	3 289	121	491	(13)	3 888
Organisation Expenses					
Fixed assets in progress					
B) TANGIBLE FIXED ASSETS	**15 747**	**645**	**2 374**	**(608)**	**18 158**
Land	0	0	0	0	0
Building	8 221	365	1 440	0	10 026
Office furniture	1 178	58	161	(21)	1 376
Office equipment and computers	2 126	108	145	(82)	2 297
Installations	3 708	92	534	(370)	3 964
Miscellaneous	514	22	94	(135)	495
C) FIXED ASSETS HELD AS INVESTMENTS	**185**	**(3)**	**14**	**0**	**196**
Land					
Building	185	(3)	14	0	196
T O T A L	**20 250**	**763**	**2 879**	**(621)**	**23 271**

III.5/ Prepayments, Accrued Income and Sundry Accounts

(in thousand EUR)	31/12/2021	31/12/2020
Account relating to financial instruments	**0**	**0**
Sundry debtor accounts	**4 479**	**3 259**
Guarantee deposits	65	66
Government (tax prepayments, etc.)	1 032	663
Miscellaneous	3 382	2 530
Stock account	**73**	**114**
Sundry Assets	**15 809**	**14 437**
- Items purchased for collection	19	46
- Foreign currencies adjustment account (in balance sheet)	11 473	11 060
Intergroup		
- Expenses to be shared	0	0
- End of service expenses, paid in advance	768(*)	734(*)
- Other expenses, paid in advance	1 138	1 235
- Income and commissions to be received	102	131
- Miscellaneous	2 309	1 231
TOTAL	**20 361**	**17 810**

(*) Of which more than one year: 768 for 2021 & 734 for 2020

III.6/ Accrued Interest

Details of the interest to be received on each item of the balance sheet: Asset side.

(in thousand EUR)	31/12/2021	31/12/2020
Banks & financial institutions	**139**	**101**
On central banks call accounts	1	0
On banks & financial institutions call accounts	0	0
On banks & financial institutions time deposits	138	101
Customers	**476**	**471**
On loan accounts	476	471
On overdraft accounts	0	0
Securities	**1 764**	**1 273**
On government securities	0	0
On fixed income securities	1 764	1 273
TOTAL	**2 379**	**1 845**

III.7/ Detail of provisions of depreciated assets

(in thousand EUR)	At the end of 2020	Exchange difference	Increase	Decrease	At the end of 2021
On customers' loans	39 981	2 762	4 880	(11)	47 612
On Banks mutual funds	0	0	0	0	0
Participations in sister companies	111	(1)	0	(110)	0
Amortisation « Leasing right »	0	0	0	0	0
Inventories	0	0	0	0	0
Related to Securities held for sale	0	0	0	0	0
Related to Investment securities	0	0	0	0	0
TOTAL	**40 092**	**2 761**	**4 880**	**(121)**	**47 612**

L I A B I L I T I E S

III.8/ Due to banks & financial institutions

III.8 a) Spread between affiliated and non-affiliated

(in thousand EUR)		31/12/2021		31/12/2020
Central Banks		**0**		**0**
Banks				
Sister companies		**6 866**		**18 785**
Current accounts	5 716		17 106	
Term accounts	1 150		1 679	
Other companies		**16 900**		**9 255**
Current accounts	16 900		8 972	
Term accounts	0		283	
Related payables		**458**		**584**
TOTAL		**24 224**		**28 624**

III.8 b) Spread by maturity - (Without related receivables).

(in thousand EUR)	At sight and up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Unlimited maturity
Banks & financial institutions	23 766	0	0			

III.9/ Customers' accounts

III.9 a) Spread between affiliated and non-affiliated (except related payables)

(inthousand EUR)		31/12/2021		31/12/2020
- Sister companies :		**0**		**0**
Current accounts	0		0	
Term accounts	0		0	
- Other companies:		**2 097 510**		**1 884 961**
Current accounts	1 472 420		1 282 259	
Saving accounts	136 141		75 465	
Term accounts	488 949		527 237	
- Related payables		**125**		**240**
TOTAL		**2 097 635**		**1 885 201**

III.9 b) Breakdown of maturities (except related payables)

(in thousand EUR)	At sight and up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Unlimited maturity
Customers' creditor accounts	2 011 566	64 656	10 897	10 391	0	

III.9 c) Analysis of « Customers' accounts »
(Including related payables)

(in thousand EUR)	31/12/2021	31/12/2020
- Deposits at BANQUE BANORIENT FRANCE:	1 568 700	1 294 370
- Deposits at BANQUE BANORIENT SUISSE	528 935	590 831
- Fiduciary deposits of BANQUE BANORIENT SUISSE at BANQUE BANORIENT FRANCE :	0	0
TOTAL	**2 097 635**	**1 885 201**

Almost all customers' deposits with BANQUE BANORIENT SUISSE are placed in fiduciary accounts with its correspondents. These deposits are classified in BANQUE BANORIENT SUISSE books under 'Contra-accounts'.
Total fiduciary deposits in BANQUE BANORIENT SUISSE as at 31/12/2021 amounted to EUR 150 millions. Only the part of these deposits placed at BANQUE BANORIENT FRANCE has been integrated into the consolidated accounts of the bank under the item 'Customers time deposits' (and consequently deducted from « Banks deposits » when they were placed in the statutory accounts).

III.10/ Provisions

(in thousand EUR)	At the end of 2020	Exchange difference	Increase	Decrease	At the end of 2021
For pension and retirement costs	2 327	173	183	(523)	2 160
For country risk	77	3	0	0	80
Collective on client portfolio	44	1	0	0	43
On commitments	30	0	0	(15)	15
Other provisions	71	3	0	0	76
Total	**2 549**	**180**	**183**	**(538)**	**2 374**

III.11/ Other liabilities & sundry accounts

(in thousand EUR)	31/12/2021	31/12/2020
Accounts related to financial instruments	**0**	**0**
Sundry creditors	**1 852**	**1 842**
Government (taxes, etc)	1 391	1 291
Social organizations	413	545
Sundry	48	6
Accrued liabilities and deferred income	**18 227**	**22 839**
Collection accounts, creditor	0	0
Foreign exchange adjustment (B/S account)	11 720	16 134
Income collected in advance	1 368	1 359
Taxes to be paid	1 445	1 020
Social security charges to be paid	1 765	1 778
Charges on banking operations	1 723	2 066
Other expenses to be paid (overheads)	0	0
Miscellaneous	206	482
TOTAL	**20 079**	**24 681**

III.12/ Accrued Interest

Details of the interest **to be paid** on each item of the balance sheet: liabilities side

(in thousand EUR)	31/12/2021	31/12/2020
Banks and financial institutions	**458**	**584**
On banks and financial institutions call accounts	458	584
On banks and financial institutions time deposits	0	0
Customers	**125**	**240**
On customers' current accounts	12	1
On customers' time deposits	113	239
TOTAL	**583**	**824**

III.13/ Shareholders' equity

Changes in shareholders' equity and minority shares

(In thousand EUR)	Capital (*)	Consolidated reserves	Profit or Loss	Foreign currency translation on			Total
				Profit	Affiliate Equity	Branches Capital Endowment	
Position End of 2019	**135 000**	**230 864**	**15 867**	**53**	**6 041**	**13 295**	**401 120**
Mouvements 2020		(78 633)	(10 375)	(55)	410	(11 686)	(100 339)
Position End of 2020	**135 000**	**152 231**	**5 492**	**(2)**	**6 451**	**1 609**	**300 781**
Mouvements 2021		5 469	(1 525)	(80)	3 412	11 219	18 495
Position End of 2021	**135 000**	**157 700**	**3 967 (**)**	**(82)**	**9 863**	**12 828**	**319 276**

(*) Subscribed capital: 4.500.000 shares of EUR 30.00

(**) Which gives a EUR 0.88 per share

Minority share: None

III.14/ Fund for general banking risk

(in thousand EUR)	At the end of 2020	Exchange difference	Increase	Decrease	At the end of 2021
BANQUE BANORIENT FRANCE	0	0	0	0	0
BANQUE BANORIENT SUISSE	94	4	0	0	98 *
SC LOTUS SERVICE	0	0	0	0	0
TOTAL	**94**	**4**	**0**	**0**	**98**

* A differed tax of EUR 24 thousand has been accounted on this amount.

OFF BALANCE SHEET

III.15/ Spread between affiliated and non-affiliated

(in thousand EUR)	Affiliated	Non-affiliated
COMMITMENTS GIVEN	**719**	**108 480**
Financing guarantees given to banks	0	0
Financing guarantees given to customers	0	13 257
Guarantees given on behalf of banks	719	18 246
Guarantees given on behalf of customers	0	76 977
COMMITMENTS RECEIVED	**1 000**	**9 798**
Financing guarantees received from banks	0	0
Guarantees received from Banks	1 000	9 798

III.16/Details of forex forward transactions not closed at the end of the financial year.

(in thousand EUR)	Covering transactions made by private arrangements	Other Transactions
Loans in foreign currencies		419 242
Borrowings in foreign currencies		0
Foreign currencies bought		747 138
Foreign currencies sold		748 535
Forex currency options		183 894
Futures (commodities)		0

III. 17/ Information on financial instruments operations

III.17 a) Breakdown by product

Financial instruments *In thousand EUR*	Positive replacement value	Negative replacement value	Notional amount
Currency Swaps	**1 288**	**3 395**	**406 931**
Forwards	**1 168**	**1 174**	**340 207**
Foreign exchange transactions	**217**	**217**	**183 894**
Futures (commodities)	**0**	**0**	**0**
	2 673	**4 786**	**911 033**

III.17 b) Breakdown by maturity

Financial instruments *In thousand EUR*	Less than 3 month	3 month to one year	1 to 5 years	More than 5 years
Currency Swaps	**257 768**	**149 164**	**0**	**0**
Forwards	**340 207**	**0**	**0**	**0**
Foreign exchange transactions	**183 894**	**0**	**0**	**0**
Futures (commodities)	**0**	**0**	**0**	**0**
	781 869	**149 164**	**0**	**0**

III.18/ Leasing contracts

The total amount to be paid by virtue of leasing contracts:
(in thousand EUR)

- Furniture Leasing: none
- Real estate Leasing: none

The preferential method is not used.
The amount represents the accounting of the rents (excluding VAT) to pay on office equipment bought in leasing on a five year period.

III.19/ Clients' Securities Portfolio

The amount of the clients' securities portfolio is:

(in thousand EUR)	31/12/2021	31/12/2020
BANQUE BANORIENT FRANCE	0	0
BANQUE BANORIENT SUISSE	471 515	424 508
TOTAL	**471 515**	**424 508**

PROFIT & LOSS ACCOUNTS

IV.1/ Detail of interest and similar income and charges

(*After eliminating the inter-group accounts*)

(in thousand EUR)	2021	2020
Charges	**6 584**	**8 922**
-Interest on banks transactions	4 619	3 586
-Interest on clients transactions	1 923	5 314
-Charges on off balance sheet transactions	42	22
Profit	**32 581**	**35 930**
-Interest on banks transactions	5 396	7 518
-Interest on clients transactions	24 903	26 080
-Income on security portfolio transactions	5 161	4 400
-Charges on off balance sheet transactions	1 696	1 668
-Net of the reversals and charges on doubtful clients	(4 575)	(3 736)

IV.2/ Income from variable income securities

(in thousand EUR)	2021	2020
- Dividend	3 353	107
- Other income on variable income securities	0	0
- Charges on variable income securities	0	0
TOTAL	**3 353**	**107**

IV.3/ Commissions detail

Expenses and incomes as per the type of transaction generating them:

(in thousand EUR)	2021	2020
Charges	**2 106**	**2 373**
Transactions with banks	741	843
Transactions with customers	0	2
Securities transactions	215	198
Foreign exchange transactions	0	0
Services offered	1 150	1 330
Income	**11 189**	**12 023**
Transactions with banks	15	14
Transactions with customers	3 149	3 658
Securities transactions	0	0
Foreign exchange transactions	24	9
Services offered	8 001	8 342

IV.4/ Profit or loss on negotiable portfolio transactions

(in thousand EUR)	31/12/2021	31/12/2020
Net on foreign exchange transactions	**2 812**	**3 892**
Profit	2 838	3 900
Loss	(26)	(8)
Net on other transactions	**28**	**5**
Profit on trading securities	28	5
Loss on trading securities		
TOTAL	**2 840**	**3 897**

IV.5/ Profit or loss on portfolio held for sale and equivalent

(in thousand EUR)	31/12/2021	31/12/2020
Net on held for sale portfolio	**(178)**	**0**
Charges for provision	0	0
Reversal of provisions	0	0
Loss on sales	(178)	0
Income on sales	0	0
Net on other transactions	**0**	**0**
TOTAL	**(178)**	**0**

IV.6/ Other banking operating income or charges

(in thousand EUR)	2021	2020
Other banking operating charges	**590**	**263**
-Banking operating charges	458	86
-Other banking operating charges	132	177
-Charges for provisions on risk and charges	0	0
Other banking operating income	**936**	**867**
-Banking operating income	317	207
-Other banking operating income	535	473
-Reversals for provisions on risk and charges	84	187

IV.7/ +/- Other Activities net Income

(in thousand EUR)	2021	2020
- Collected rents (*)	172	210
TOTAUX	**172**	**210**

(*) Of which 141 on fixed assets for rental purpose

IV.8/ General Operating Charges

(in thousand EUR)	2021	2020
Staff expenses	**21 910**	**20 817**
Salaries and wages	17 984	16 612
Social security charges	1 228	1 239
Other social charges	2 711	2 481
Payroll based taxes	328	299
Staffing and reversals of provisions for pensions	(341)	186
Other overheads	**10 729**	**10 452**
Taxes	889	925
Leasing contracts charges	0	0
Rent	1 222	1 220
Transport and travel expenses	218	202
Fees	1 628	1 698
Communication	1 220	1 099
Advertising	89	61
Office equipment maintenance	2 411	2 337
Supplies and documentation	303	243
Other external services	2 749	2 667
TOTAL	**32 639**	**31 269**

IV.9/ +/- Risk Cost

Breakdown of the loss due to value corrections of loans and off balance sheet items.

(in thousand EUR)	2021	2020
Transfers to loans provisions (Excluding the interest)	(294)	(953)
Transfers from loans provisions	0	166
Losses on unrecoverable loans covered by provisions	0	(58)
Losses on unrecoverable loans not covered by provisions	(89)	(380)
Recovery of written off loans	0	0
Provisions for country risk	0	0
Reversal of provisions for country risk	0	0
Other provisions for risks and charges	0	0
Other reversals of provisions for risks and charges	0	887
	(383)	**(338)**

IV.10/ Breakdown of the profit due to value corrections of financial assets

(in thousand EUR)	2021	2020
Profit on disposal of fixed assets	25	0
Loss on disposal of fixed assets	(8)	(85)
Provisions on participations	0	0
Loss on disposal of participations	0	0
Reversal of provisions participations	133	13
Profit or loss on anticipated investment securities reimbursements	0	0
Loss on disposal of investment securities	0	0
TOTAL	**150**	**(72)**

IV.11/ Charges or reversals on fund for general banking risks (FGBR)

(in thousand EUR)	2021	2020
-Reversals on FGBR	0	0
TOTAL	**0**	**0**

IV.12/ Financial results on previous year

Breakdown as per the nature of expenses and income related to previous financial year

(in thousand EUR)	Expenses	Income
Banks interests	0	0
Customers interests	0	0
Customers commissions	1	(4)
Other	1	18
Staff expenses	33	0
Other overheads	13	70
Other taxes	25	0
TOTAL	**73**	**84**

IV.13/ Geographical breakdown of income

The operating income of BANQUE BANORIENT FRANCE in Europe and in the Gulf comes mainly from transactions with the Middle East and Gulf Countries clients, except for the Romanian branches which activity is mainly with local clients. Hereunder is a geographical breakdown of the profit and loss account main items.

(*After elimination of the inter-group accounts*)

(in thousand EUR)	Europe	Gulf
Interest and similar income	17 574	15 007
Commissions	8 491	2 698
Other banking operating income	743	193
Income from financial transactions	1 450	1 390
TOTAL	**28 258**	**19 288**

OTHER INFORMATION

V.1/ Management committee

The total amount paid to the members of the various management committees during the year amounted to 1 224 thousand EUR.

V.2/ Tax situation

V.2 a) Carried forward tax losses: Detail by location and date limit (after inclusion of the **2021** profit).

(in thousand EUR)	France	United Kingdom	Gulf	Romania	SC Lotus	Switzerland
Carried forward without limitation	1 328	Néant	Néant	Néant	Néant	Néant

V.2 b) Deferred Tax: Detail of the accounted deferred tax

(in thousand EUR)	France	United Kingdom	Gulf	Romania	SC Lotus	Switzerland
Tax on retirement expenses paid in advance						192
Tax on accrued expenses	186					
Tax on Fund for general banking risk						24
Tax on assets depreciation charges			728			
	186	**None**	**728**	**None**	**None**	**216**

V.2 c) Income Tax charges detail:

(in thousand EUR)	
Normal tax rate applied in France	**26,5 %**
Profit before tax	6 389
Reintegration	2 377
Integration	(4 461)
Other	46
Income tax before tax credits	1 942
Tax credits	0
Income tax after tax credits	1 972
Effectif rate	**30,40 %**

Tax proof

in thousand EUR)		
- Profit before tax	6 389	
-Income tax theoretical rate	1 693	26,50 %
- Effects of differences	(552)	(8,64 %)
-Differential income tax rate	194	(3,03 %)
-Tax credit and Other	608	(9,51 %)
-Accounted tax	1 942	30,40 %

V.3/ Staff

(number of persons)	France	United Kingdom	Gulf	Romania	Switzerland	TOTAL
At the end of 2020	**39**	**24**	**109**	**66**	**28**	**266**
Entries in 2021	2	1	13	9	5	30
Leavings in 2021	3	2	16	8	3	32
At the end of 2021	**38(*)**	**23**	**106**	**67**	**30**	**264**

(*) Of which management staff 27

V.4/ Auditors fees:

a) Audit

(in thousand EUR)	2021				2020			
	Réseau Ernst & Young		Réseau Deloitte		Réseau Ernst & Young		Réseau Deloitte	
Audit Audit, certification, individual and consolidated accounts inspection	361	59%	249	41%	309	50%	312	50%
Other diligence and services linked to the audit assignment								
TOTAL FEES	**361**	**59%**	**249**	**41%**	**309**	**50%**	**312**	**50%**

b) Non audit

The non audit fees amount paid in 2021 are:

- Ernst & Young :
  - 12.8 Sundry statements
- Deloitte
  - 10.6 IT security

V.5/ Year highlights

No year highlights events

V.6/ Events subsequent to closing

Ukraine war: Banque Banorient has no exposure on Ukrainian or Russian counterparts, or on particulars or companies concerned by the sanctions.