

BANK AUDI S.A.L.
Bab Idriss - Omar Daouk Street
Bank Audi Plaza, P.O. Box 11-2560
Beirut - Lebanon

INFORMATION STATEMENT

October 9, 2017

Dear Global Depositary Receipt Holder:

Reference is hereby made to the Amended and Restated Deposit Agreement dated May 10, 2010 (the “**Deposit Agreement**”) between Bank Audi s.a.l. (the “**Bank**”) and Deutsche Bank Trust Company Americas, as depositary (the “**Depositary**”), relating to Global Depositary Receipts issued in respect of common shares of the Bank (the “**GDRs**”), each GDR representing one common share of the Bank with a nominal value LBP 1,663 per common share (each a “**Common Share**”). Capitalized terms used herein without otherwise being defined shall have the respective meanings assigned thereto in the Deposit Agreement.

The Depositary, as the shareholder of record of Common Shares evidenced by GDRs, has received notice of an Extraordinary General Meeting of the Shareholders of the Bank to be held on October 27, 2017 (the “**General Meeting**”), at the Bank’s head office in Beirut, which (among other things) sets forth the agenda for such General Meeting. References in this Information Statement (this “**Information Statement**”) to the “**Holder**” of any GDR shall mean the person registered as the holder of such GDR on the books of the Depositary. In accordance with Clause 13 of the Deposit Agreement and Condition 23 of the GDRs, a copy of such notice and agenda is being sent hereby to each person who is a Holder on October 10, 2017, which is the record date (the “**Record Date**”) established by the Depositary for this purpose (which is as near as practicable to October 26, 2017, being the corresponding record date set by the Bank in respect of the General Meeting).

As set forth in such notice, at the General Meeting, shareholders of the Bank, including the Depositary, will be asked to consider and vote upon the following agenda:

1. Take note of the implementation of Resolution No. 1 adopted by the Extraordinary General Meeting of Shareholders held on July 21, 2017, relating to the cancelation of the Series “F” Preferred Shares and the increase of the Bank’s share capital in order to round the nominal value of each individual share up to LBP 1,663;
2. Verification of the completion of the procedures for the increase in the Bank’s capital through the issuance of 2,750,000 Series “J” Preferred Shares in accordance with Resolution No. 3 of the Extraordinary General Meeting held on July 21, 2017; and
3. The discharge of the Chairman and members of the Board of Directors in respect of activities related to the Capital Increase.

Each Holder is hereby requested to return to the Depositary voting instructions, as provided in this Information Statement, by which such Holder may give instructions to the Depositary to vote for or against each and any resolution specified in such agenda.

After careful consideration, the Board of Directors recommends a vote in favour of each such resolution.

Yours very truly,

Freddie Baz
Vice-Chairman of the Board of Directors - General Manager
Group Strategy Director

Bank Audi

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AVAILABLE INFORMATION

No person has been authorized to give any information or to make any representation other than those contained in this Information Statement, and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank. No delivery of this Information Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank since the date of this Information Statement or that any information contained or referred to herein is correct as of any time subsequent to the date as of which it is given. This Information Statement does not constitute the solicitation of a proxy to or from any person in any jurisdiction to or from whom it is unlawful to make such offer or solicitation within such jurisdiction. This Information Statement is not an offer of any securities by any person in any jurisdiction.

VOTING RIGHTS OF HOLDERS

In accordance with Condition 12 of the GDRs, the Depositary is seeking voting instructions from the Holders in order to exercise or cause to be exercised the voting rights in respect of the Deposited Shares as directed by such voting instructions to the extent permitted by Lebanese law.

Common Shares which have been withdrawn from the deposit facility under the Deposit Agreement and transferred on the Bank's register of members to a person other than the Depositary or its nominee may be voted by the registered owner thereof; however, Holders may not receive sufficient advance notice of the General Meeting to enable them to withdraw Deposited Shares and vote at the General Meeting.

SUMMARY BACKGROUND INFORMATION

I. Taking note of the entry into effect of the cancellation of the Series "F" Preferred Shares and the increase of the nominal value of each individual share up to LBP 1,663

On July 21, 2017, the Extraordinary General Meeting of Shareholders of the Bank (the "July EGM") resolved, based on the Board of Directors' recommendation, to (i) approve the cancellation of the 1,500,000 then outstanding Series "F" Preferred Shares, and the concomitant increase of the nominal value of all remaining shares (including both Common Shares and Preferred Shares) comprising the share capital of the Bank by an amount equivalent to the aggregate nominal value of the cancelled Preferred Shares and (ii) increase the Bank's share capital by an amount of LBP 347,494,428 through the incorporation of general reserves in order to round the nominal value of each individual share up to LBP 1,663. The July EGM also granted the Board of Directors the necessary powers to verify the adequate implementation of the aforementioned resolutions.

On September 13, 2017, the Central Bank of Lebanon acting through its Central Council approved the resolutions of the July EGM.

On September 29, 2017, the External Auditors issued their report stating that the aforementioned cancellation of shares and capital increase were duly implemented.

In consideration of the above, the Board of Directors resolved, on October 2, 2017 that it had verified the adequate implementation of the aforementioned EGM resolutions.

II. Completion of the issuance of 2,750,000 Series "J" Preferred Shares

On July 21, 2017, the July EGM also resolved to increase the Bank's capital by an amount of LBP 4,573,250,000 through the issuance of 2,750,000 Series "J" Preferred Shares with a nominal value of LBP 1,663 each, and an issue premium for each Series "J" Preferred Share to be determined in US Dollars as the difference between USD 100.00 and the USD equivalent of LBP 1,663, computed at the exchange rate prevailing on the first day of the subscription period, which began on September 29, 2017.

On September 13, 2017, the Central Bank of Lebanon acting through its Central Council approved the resolutions of the July EGM.

On October 6, 2017, the Board of Directors, having taken into consideration:

- 1- the completion of the purchase applications and of the full payment of the issue price, and
- 2- the receipt of all remaining regulatory approvals and expected completion of all remaining formalities,

resolved, in accordance with applicable Lebanese Law, to convene the Extraordinary General Meeting of Shareholders of the Bank to meet again on October 27, 2017 in order to verify the completion of the procedures for the increase in the Bank's capital through the issuance of 2,750,000 Series "J" Preferred Shares and to discharge the Chairman and members of the Board of Directors in respect of activities related to the Capital Increase.

The external auditors of the Bank are expected to deliver a report stating that all the procedures relating to the aforementioned capital increase were correctly achieved on the date of the General Meeting.

III. Summary of Matters Submitted to the General Meeting for Approval

Accordingly, the Board of Directors of the Bank has convened the General Assembly to consider and approve the following resolutions:

1. Take note of the implementation of Resolution No. 1 adopted by the Extraordinary General Meeting of Shareholders held on July 21, 2017, relating to the cancelation of the Series "F" Preferred Shares and the increase of the Bank's share capital in order to round the nominal value of each individual share up to LBP 1,663;
2. Verification of the completion of the procedures for the increase in the Bank's capital through the issuance of 2,750,000 Series "J" Preferred Shares in accordance with Resolution No. 3 of the Extraordinary General Meeting held on July 21, 2017; and
3. The discharge of the Chairman and members of the Board of Directors in respect of activities related to the Capital Increase.

VOTING INSTRUCTIONS

Each Holder is hereby requested to return to the Depository voting instructions, in the form provided separately by the Depository for this purpose, by which such Holder may give instructions to the Depository to vote for or against each and any resolution specified in the agenda for the General Meeting.

In order for a voting instruction to be valid, the above-mentioned form of voting instructions must be completed and duly signed by the respective Holder (or in the case of instructions received from the clearing systems should be received by authenticated SWIFT message or market standard authenticated message format) and returned to the Depository by the date that the Depository shall specify in such form of voting instructions.

INFORMATION REGARDING BANK AUDI S.A.L.

For information regarding the Bank, Holders are advised to review the following documents:

- The Bank's Annual Report for 2016 encompassing:
 - o The audited financial statements of the Bank as of and for the year ended December 31, 2016 and the accompanying notes and auditors' report;
 - o The "Management Discussion and Analysis" which summarizes the Bank's activity during the year ended December 31, 2016;
- The consolidated unaudited financial statements of the Bank as at June 30, 2017.

The above documents (in Arabic or English, or both, as the case may be) can be downloaded from Bank Audi's website: www.bankaudigroup.com or may be obtained free of charge from the Bank and the Depositary at the addresses set forth below:

The Depositary:

Deutsche Bank Trust Company Americas
Winchester House
1 Great Winchester Street
London EC2N 2DB
Attn: Ms. Katia Levy-Thevenon

The Bank:

Bank Audi s.a.l.
Bab Idriss
Omar Daouk Street
Bank Audi Plaza, P.O. Box 11-2560
Beirut
Lebanon
Attn: The Group Corporate Secretary