

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

INFORMATION STATEMENT

July 10, 2018

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 LL 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 July 27, 2018 (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 July 10, 2017, which is the record date (the “**Record Date**”) established by the Depositary for this purpose (which is as near as practicable to July 26, 2018, 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. The cancellation of the Series “G” Preferred Shares and increase of the Bank’s capital in order to round the nominal value of each individual share up to LL 1,670;
2. The amendment of the Bank’s By-Laws, including, in particular articles 6 and 8, in order to reflect the foregoing;
3. The submission of the actions described in items 1 and 2 for approval by the Central Bank of Lebanon; and
4. The granting to the Chairman of the Board of Directors (acting singly) or any 2 Directors – General Managers (acting jointly) of the necessary powers in order to implement the foregoing resolutions.

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,

Samir Hanna
Chairman of the Board of Directors
Group Chief Executive Officer

Bank Audi

INFORMATION STATEMENT

Table of Contents

	Page
AVAILABLE INFORMATION	3
VOTING RIGHTS OF HOLDERS	3
SUMMARY BACKGROUND INFORMATION	3
VOTING INSTRUCTIONS	5
INFORMATION REGARDING BANK AUDI S.A.L.	6

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. Redemption and Cancellation of the Series "G" Preferred Shares and Increase of the Bank's Capital

In 2013, Bank Audi issued 1,500,000 Redeemable Series "G" Preferred Shares at an issue price of U.S.\$100.00 per Series "G" Preferred Share. Each Series "G" Preferred Share carries annual distribution rights of U.S.\$6.00. The terms of the Series "G" Preferred Shares provide, among other things, that the Bank may, at its option and subject to certain conditions, redeem and cancel all of the Series "G" Preferred Shares within 60 days following the later of (a) the date of the Ordinary General Meeting at which the annual audited financial statements of the Bank for the year ended 31 December 2017 are approved (which was held in April 2018) or (b) within 60 days following the fifth anniversary of the date of the Confirmation EGM (i.e. within 60 days following June 21, 2018), in the Bank's sole discretion, at a redemption price of U.S.\$100 per share plus any declared but unpaid Series "G" Distributions (as defined in the terms of the Series "G" Preferred Shares).

In its meeting held on March 20, 2018, the Board of Directors of the Bank resolved to redeem and cancel the Series "G" Preferred Shares. The Bank has confirmed that all conditions precedent to the redemption of the Series "G" Preferred Shares have been fulfilled, including that the Bank is in compliance with all relevant applicable ratios and regulations of the Central Bank of Lebanon, as well as the availability of sufficient free reserves for the purpose of such redemption. Such redemption is expected to be completed on or around July 10, 2018.

Pursuant to the terms of the Series "G" Preferred Shares, upon the redemption of the Series "G" Preferred Shares, the shares shall be cancelled and the nominal value of each of the remaining shares constituting the outstanding share capital of the Bank shall be adjusted to reflect such cancellation. This adjustment of the nominal value of each remaining share would result in the increase of the nominal value of each of the remaining shares constituting the Bank's outstanding share capital from LL 1,663 to LL 1,669.14789. In order to round the nominal value of each individual share up to LL 1,670 for practical purposes, the Board of Directors has resolved, subject to the approval of the General Assembly and of the Central Bank of Lebanon, to increase the capital of the Bank by LL 345,744,428 through the incorporation of free reserves into the capital of the Bank.

II. Amendments to the By-Laws

Pursuant to applicable regulations, the approval of the actions described under section I above

necessitates resulting amendments to the Bank's By-Laws.

Accordingly, in its meeting held on July 9, 2018, the Board of Directors resolved to propose to the General Assembly to approve, upon its approval of each or all of the actions described above, the amendment of Articles 6 and 8 of the Bank's By-Laws to reflect the matters specified under section I above.

III. Grant of Power

In its meeting held on July 9, 2018, the Board of Directors noted that the actions described under sections I and II above require the obtaining of certain authorizations and the completion of certain other acts. Accordingly, the Board of Directors resolved to propose to the General Assembly to, upon its approval of the actions described under sections I to II above, empower the Chairman of the Board of Directors (acting singly) or any two Directors – General Managers (acting jointly) to seek all necessary approvals (including, in particular, the approval of the Central Bank of Lebanon acting through its Central Council) and to perform all acts as may be necessary or advisable in the completion of such matters as are approved.

IV. Summary of Matters Submitted to the General Assembly for Approval

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

1. The cancellation of the Series "G" Preferred Shares and increase of the Bank's capital in order to round the nominal value of each individual share up to LL 1,670;
 2. The amendment of the Bank's By-Laws, including, in particular articles 6 and 8, in order to reflect the foregoing;
 3. The submission of the actions described in items 1 and 2 for approval by the Central Bank of Lebanon; and
 4. The granting to the Chairman of the Board of Directors (acting singly) or any 2 Directors – General Managers (acting jointly) of the necessary powers in order to implement the foregoing resolutions.
-

VOTING INSTRUCTIONS

Each Holder is hereby requested to return to the Depositary voting instructions, in the form provided separately by the Depositary for this purpose, by which such Holder may give instructions to the Depositary 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 Depositary by the date that the Depositary 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 2017 encompassing:
 - o The audited financial statements of the Bank as of and for the year ended December 31, 2017 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, 2017;
- The consolidated unaudited financial statements of the Bank as at March 31, 2018.

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
