

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

INFORMATION STATEMENT

April 21, 2022

Dear Global Depositary Receipt Holder:

Reference is hereby made to the Amended and Restated Deposit Agreement dated February 25, 2019 (as may be amended from time to time, the “**Deposit Agreement**”) between Bank Audi s.a.l. (the “**Bank**”) and Bank of New York Mellon, in its capacity 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, nominal value L.L. 1,670 per common share (the “**Common Shares**”). 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 the Ordinary General Meeting of the Shareholders of the Bank to be held on May 11, 2022 (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 Section 5 of the Deposit Agreement, a copy of such notice and agenda is being sent hereby to each person who is a Holder on April 21, 2022, which is the record date (the “**Record Date**”) established by the Depositary for this purpose (which is as near as practicable to May 10, 2022, 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. To ratify the granting of a Put Option in favor of the holders of the 2022 Subordinated Notes issued pursuant to the resolution of the Ordinary General Assembly Meeting held on February 12, 2021.

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 - General Manager

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 authorized by the Bank. No delivery of this Information Statement nor any offer or distribution of any securities to which this Information Statement relates 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.

VOTING RIGHTS OF HOLDERS

In accordance with Section 5 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

- On February 12, 2021, the General Assembly of Shareholders approved the issuance of new unsecured subordinated notes (the "2022 Subordinated Notes") to be subscribed to, exclusively, through the exchange of the unsecured subordinated notes issued by the Bank in 2013 (the "2013 Subordinated Notes");
- At that same meeting, the General Assembly approved the terms and conditions of the 2022 Subordinated Notes and empowered the Chairman of the Board of Directors and the General Managers, acting severally, to perform all acts and make all determinations as may be necessary or advisable, to undertake and complete the issuance of the 2022 Subordinated Notes;
- At its meeting held on September 14, 2021, the Board of Directors determined, following a preliminary market assessment conducted by management, that it would be beneficial to the Noteholders to grant them a Put Option giving them an early redemption right pursuant to which the Issuer shall, at the option of the holder of any Note, redeem such Note within one month from the Issue Date at 90.5% of its principal amount, together with interest (if any) accrued and unpaid in respect of such Note (all amounts to be paid in Lebanon in accounts that are subject to the currently applicable restrictions on cash withdrawals and cross border transfers), noting that the payment of the 10% Upfront Interest to the Noteholders on the Exchange Date will not be affected or reduced by the Put Option;
- The Board also took note of the final Terms and Conditions of the 2022 Subordinated Notes, after including the aforementioned Put Option, that are described in the Exchange Offer;
- On 28 March 2022, Banque du Liban, acting through its central council, approved the granting of the Put Option and requested that it be also approved as soon as practical by the General Assembly of shareholders.

Accordingly, the Board of Directors resolved, in its meeting held on April 20, 2022, to propose to the General Meeting to convene the General Assembly to consider and approve the following resolution:

- o To ratify the (i) granting of a Put Option in favor of the holders of the 2022 Subordinated Notes issued on April 19, 2022 pursuant to the resolution of the Ordinary General Assembly Meeting held on February 12, 2021, and (ii) all other terms of the 2022 Subordinated Notes.

As per the aforementioned Board proposals and recommendations.

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 2020 encompassing:
 - o The Audited financial statements of the Bank as of and for the year ended December 31, 2020 and the accompanying notes and auditors' report; and
 - o The "Management Discussion and Analysis" which summarizes the Bank's activity during the year ended December 31, 2020;
- The Bank's September 30, 2021 Interim financial statements;

The above documents 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:

Bank of New York Mellon – Depositary Receipts
240 Greenwich Street, 22nd Floor
New York, NY 10286
Attn: Mr. Tony Tooma
Email: tony.tooma@bnymellon.com
Phone: 1 (212) 815 - 2136

The Bank:

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