

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

INFORMATION STATEMENT

July 06, 2023

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 LL 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 July 28, 2023 (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 July 06, 2023, which is the record date (the “**Record Date**”) established by the Depositary for this purpose (which is as near as practicable to July 27, 2023, 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 approve the Bank’s accounts, in particular, the balance sheet and the profit and loss statement, as of and for the year ended December 31, 2022, and to discharge the Chairman and members of the Board of Directors of the Bank in respect of the management activities performed during the year ended December 31, 2022;
2. To approve the allocation of the 2022 annual results;
3. To take note of the balances of facilities previously approved by the General Assembly of shareholders, granted in accordance with Article 152 of the Code of Money and Credit, and grant the necessary authorizations for the year 2023 pursuant to the same Article;
4. To ratify transactions that are subject to the approval of the General Assembly of shareholders, including transactions entered into between the Bank and the persons designated in article 158 of the Code of Commerce during the year 2022, and grant the necessary authorizations to transact with said persons during the year 2023;
5. To elect a new Board of Directors;
6. To determine the remuneration of Board members;
7. To authorize the participation of certain Board members and senior executives in the boards of other similar companies and to grant the necessary related authorizations pursuant to Article 159 of the Code of Commerce; and
8. To determine the fees of the External Auditors for the year 2023.

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 favor of each such resolution.

Yours very truly,

Samir Hanna
Chairman - General Manager

Bank Audi

INFORMATION STATEMENT

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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

In its meetings held on May 19, 2023, and June 23, 2023, the Board of Directors of the Bank (the "**Board of Directors**" or the "**Board**"),

- (i) Having examined the draft External Auditors report to the General Meeting in connection with the financial statements as of and for the year ended December 31, 2022, encompassing the External Auditors adverse opinion;
- (ii) Having, in consideration of
 - the fact that the External Auditors adverse opinion has been prompted by the persisting impossibility to assess, reliably and accurately, the impact of the prevailing Lebanese crisis on the Bank's financial statements, within the excessive uncertainties characterizing the challenging environment, and the absence of an adopted and clear national fiscal and economic recovery plan (resulting in a hyper-inflation, in the multiplicity of LBP exchange rates, in the impossibility to produce a Fair value for balances with the Central Bank of Lebanon, in events and conditions that would not qualify as normal course of business in a non-crisis environment, etc);
 - the notes to the Consolidated Financial Statements, notably Note 1 describing the Macroeconomic and the Regulatory environment and the particular situation of the Group, and
 - the other notes to the Consolidated Financial Statements;resolved to endorse the financial statements;
- (iii) Having adopted the 2022 Annual Report encompassing the "Management Discussion and Analysis", which summarizes the Bank's activity during the year ended December 31, 2022 (and its major financial indicators), as well as the major developments in the local and regional economies and the Bank's market positioning and strategic choices;
- (iv) Having adopted a proposal to transfer the results (loss, amounting to 636,309,799 thousands LL) of the year 2022 to the Retained Earnings account;
- (v) Having examined the draft special reports of the External Auditors in connection with outstanding loans to related parties subject to Article 152 of the Code of Money and Credit ("**Article 152 Loans**") as at December 31, 2022, pursuant to which, save for the effect of the adverse opinion on the adopted financial statements, outstanding Article 152 Loans are within applicable legal and regulatory ceilings;

And having, in consideration of the fact that such loans have been previously approved by the General Assembly of shareholders, adopted a proposal to take note of their balances (as shown in the following table), and grant the necessary authorizations for the year 2023 pursuant to the same Article;

Loans to related parties		<i>Amounts in billions of LL</i>
(as per Article 152 of the Lebanese Code of Money and Credit)		
Total Gross Amount	8.9	
Out of which	1.7	Covered by cash collateral in the same currency as the related loan
Total Amount net of cash collateral	7.2	
Out of which	5.4	Housing loans covered by first degree mortgages on independently evaluated homes and bearing terms and conditions that are in line with the industry practice and compliant with applicable regulations.
	-	Car loans covered by liens on independently evaluated cars and bearing terms and conditions that are in line with the industry practice and compliant with applicable regulations.
Total Amount net of cash collateral, housing loans and car loans	1.8	
Out of which	1.5	Covered by real estate mortgages with a sufficient coverage in compliance with applicable regulation and market practice.
Total Net Amount of loans to related parties	0.3	Approved by the Board and granted to Senior managers or executive directors (none of whom is one of the non-executive members of the Board).

- (vi) Having resolved not to request an authorization to grant additional loans to related parties that are subject to Article 152 of the Code of Money and Credit during the year 2023, save for monthly repayable Charge Cards (to the extent they abide by the provisions of Article 7 bis of BDL circular 132) as well as facilities against same currency Cash Collateral, and Facilities against same currency Bank Guarantees (to the extent they abide by the provision of Article 8 of BDL circular 132);
- (vii) Having examined the draft External Auditors special report in connection with Article 158 of the Code of Commerce, pursuant to which the External Auditors did not express any remarks in connection with transactions entered into between the Bank and related parties or affiliated companies, and having adopted a proposal to ratify such transactions entered into during 2022 (by virtue of the authorization granted by the general meeting of shareholders on 30 June 2022, and pursuant to Article 158 of the Code of Commerce) after having noted that save for dealings with controlled or consolidated subsidiaries (Banks, Financial institutions, and other Subsidiaries), such transactions are limited to (i) the granting of a donation to a cultural foundation bearing the Bank's name (the "Audi Foundation") whose managing board comprises a number of the Bank's Directors and executives, for LL 0.5 billion in 2022 (and a proposal to grant LL 0.5 billion in 2023); and (ii) other miscellaneous transactions including the receipt of services for LL 0.01 billion;
- (viii) Having adopted a proposal to authorize the Bank to enter into similar transactions during 2023;
- (ix) Having (in consideration of the fact that the term of the current Board of Directors will expire upon the meeting of the General Assembly), adopted the nomination proposal of the Corporate Governance and Nomination Committee, encompassing the re-election of 6 currently serving Directors (the remaining two having expressed their wish not to be considered for a new mandate) as follows:

Nomination Proposal encompassing the re-election of 6 Directors:

Candidate	Brief Profile
<p>Mr. Samir N. Hanna Age: 78 – Lebanon Director since August 1990</p>	<p>Samir Hanna is the Chairman and Chief Executive Officer of the Bank Audi Group. He joined Bank Audi in January 1963 and held several managerial and executive positions across various departments of the Bank. He was appointed General Manager of Bank Audi in 1986 and member of its Board of Directors in 1990. In the early 1990s, he initiated and managed the restructuring and expansion strategy of Bank Audi, transforming it into a strong banking group offering universal banking products and services including Corporate, Commercial, Retail, Investment, and Private Banking. He was elected Chairman of the Board of Bank Audi sal, succeeding Mr. Raymond Audi, on 10 April 2017.</p> <p>Samir Hanna has served as member or Chair of the Boards of a number of subsidiaries of the Bank Audi Group including (i) member of the Board of Directors of Odea Bank A.Ş., Bank Audi’s subsidiary in Turkey, from 2012 until 2021 (Chairman until November 2020), (ii) member of the Board of Directors of Banque Audi (Suisse) SA from 2011 until 2021, and (iii) member of the Board of Directors of Bank Audi sae (Egypt) from 2006 until 2020.</p> <p>As Group Chief Executive Officer, he heads all aspects of the Bank’s Executive Management.</p>
<p>Dr. Marwan M. Ghandour Age: 79 – Lebanon Director since March 2000</p>	<p>Marwan Ghandour is an independent member of the Board of Directors since March 2000.</p> <p>Marwan Ghandour is a previous Vice-Governor of the Central Bank of Lebanon. He held this position between January 1990 and August 1993, with primary responsibilities in the area of monetary policy. During this period, he was also a member of the Higher Banking Commission and various other government committees involved in economic policy. In this capacity, he liaised with renowned international institutions such as the International Monetary Fund (IMF), the World Bank and the Bank for International Settlements (BIS). From 1995 until July 2011, Marwan Ghandour served as Chairman and General Manager of Lebanon Invest sal, a leading financial services group in the region whose holding company merged with Bank Audi in 2000.</p> <p>Since 2000, Marwan Ghandour has served as member or Chair of the Boards of a number of subsidiaries of the Bank Audi Group including (i) member of the Board of Directors of Odea Bank A.Ş., Bank Audi’s subsidiary in Turkey, from 2012 until 2020 (Vice-Chairman until 31 December 2017), (ii) member of the Board of Directors of Bank Audi sae (Egypt) from 2006 until 2018, (iii) Chairman of the Board of Directors of Banque Audi (Suisse) SA from 2011 until 2015, and (iv) Chairman of the Board of Directors of Audi Investment Bank sal from 2005 until 2011.</p> <p>Marwan Ghandour holds a PhD in Economics (Econometrics) from the University of Illinois (post-doctorate research at Stanford University).</p>
<p>Mr. Marc J. Audi Age: 65 – Lebanon Director since March 1996</p>	<p>Marc Audi serves as member of the Board of Directors since 1996, and has served as General Manager from 2004 until 2021, and has served as Lebanon Country Manager of the Bank Audi Group until June 2020.</p> <p>Marc Audi started his banking career in 1981. He held several executive positions within the Bank Audi Group, in a number of countries including France, the USA (California), Switzerland and Lebanon.</p> <p>Throughout his career, he held executive responsibilities at group level, in Commercial Lending, in Capital Markets and in Private Banking (notably serving as General Manager of Banque Audi (Suisse) SA, the Private Banking arm of the Group, until 2005). Marc Audi currently serves as Chairman of the Board of Directors of Banque Audi (Suisse) SA and Board member of several other affiliates of the Bank Audi Group.</p> <p>Marc Audi holds a Master’s of Business Administration from the University of Paris IX – Dauphine.</p>

<p>Mr. Abdullah I. Al Hobayb Age: 81- Saudi Arabia Director since April 2010</p>	<p>Abdullah Al Hobayb is an independent member of the Board of Directors since 2010.</p> <p>He is the Chairman of several leading companies in their respective fields in Saudi Arabia, comprising ABB Saudi Arabia, Ink Products Company Ltd, Philips Lighting Saudi Arabia, Manufacturers Trading Company Ltd, Arabian Co. For Electrical & Mechanical Works and Electrical Materials Center Co. Ltd. He is also the Chairman of Audi Capital (KSA) (an Investment Banking subsidiary of Bank Audi, incorporated in the Kingdom of Saudi Arabia) and was, until July 2014, a member of the Board of Directors of Bank Audi sae in Egypt and of Odea Bank A.Ş., Bank Audi’s subsidiary in Turkey.</p> <p>Abdullah Al Hobayb holds a Master’s degree in Electrical Engineering from Karlsruhe University in Germany.</p>
<p>Dr. Khalil M. Bitar Age: 81 – Lebanon Director since April 2010</p>	<p>Khalil Bitar is an independent member of the Board of Directors since 2010. He is a former Professor of Physics and a former Dean of the Faculty of Arts and Sciences of the American University of Beirut (AUB). He held this last position from 1997 until 2009, playing an instrumental role in advocating AUB’s strengths and regional position as the premier centre for higher education, and in re-establishing its PhD programs.</p> <p>Throughout his career, he held several academic and administrative positions, including Associate Director of the Supercomputer Computations Research Institute – Florida State University (between 1994 and 1997) and visiting professor at leading academic institutes in Europe and North America (including the European Organisation for Nuclear Research in Geneva, the International Centre for Theoretical Physics in Italy, The Institute for Advanced Study in New Jersey, the Fermi National Accelerator Laboratory (Fermilab) in Illinois, the University of Illinois, Brookhaven National Lab. in New York, the Max Planck Institute in Munich, and the Rockefeller University in New York). He also served two mandates as member of The Institute for Advanced Study in Princeton, New Jersey, between 1968 and 1972.</p> <p>Khalil Bitar has also served as (i) member of the Board of Directors of Audi Private Bank sal and the Chairman of its Risk Committee, and (ii) member of the Board of Directors of Audi Investment Bank sal and Chairman of its Risk Committee from March 2012 until November 2013, and as advisor to its Board for Risk Committee matters until the merger of both entities with Bank Audi sal in December 2020.</p> <p>Khalil Bitar holds a Bachelor of Science degree in Physics from the American University of Beirut, a Master’s of Science degree in Physics, and a PhD in Theoretical Physics from Yale University in the United States.</p>
<p>Sherine R. Audi Age: 62 - Lebanon Director since April 2017</p>	<p>Sherine Audi is the non-executive Chairman of the Board of Directors of Bank Audi France sa, the French subsidiary of the Bank, and member of its Audit and Risk Committee.</p> <p>She started her banking career in 1980 at Bank Audi France sa, now a fully owned subsidiary of Bank Audi sal. She held several positions there, including in credit, business development, operations and administration, while gradually climbing the corporate ladder. She was appointed Assistant General Manager of Bank Audi France in 1995, then Executive Director in 2000, and Director – General Manager from 2010 until 2022. In this capacity, she was in charge of the development and implementation of the strategy of Bank Audi France, as approved by the Board. She headed all the executive aspects of Bank Audi France’s activity and drove its strategic transformations (including technological and regulatory ones) as required by the current market rules and practices. She also acted as the representative of Bank Audi France sa towards the French banking authorities and professional organisations. In September 2022, she resolved to relinquish her executive duties and was elected non-executive Chairman of the Board of Directors of Bank Audi France with effect starting on 1 January 2023.</p> <p>Since December 2021, she also serves as Vice-chairman of the Chambre de Commerce Franco-Libanaise after having served as its treasurer since 2015.</p> <p>Sherine Audi holds a diploma of Certified Director (by Sciences Po. Paris, jointly with the French Institute of Directors).</p>

- (x) Having, by virtue of the authorization previously granted by the general meeting of shareholders, approved and adopted a proposal to the General Meeting to note:
- The payment in 2022 of a remuneration to Key Executives, including the chair-CEO, and the executive members of the Bank's Board of Directors and the other non-Directors members of the Group Executive Committee (in all 9 persons), encompassing a fixed remuneration aggregating LL 9.5 billion and an additional remuneration aggregating USD 2.6 million incurred and paid by the foreign subsidiaries of the Bank;
 - The payment of a compensation to the non-executive Board members aggregating USD 1.2 million incurred and paid by the foreign subsidiaries of the Bank;

The aforementioned payment incurred by the foreign subsidiaries were made in consideration of the increasing importance of said subsidiaries within the Group and the need for the Board members and Executives of the parent company to exercise a consolidated oversight over them and to allocate the necessary time and efforts in order to maintain the coherence of the Group.

No other compensation or attendance fees were paid during the year 2022 to the members of the Board.

- (xi) Having adopted a proposal to the General Meeting to authorize the Board to (x) set the remuneration of the Executive Directors and that of the other key executives in consultation with the Remuneration Committee, with payments to be reported at the next General Assembly and (y) maintain the payment of an annual remuneration to the non-executive directors in line with the amounts paid in 2022, with said payments to be reported at the next General Assembly;
- (xii) Having adopted a proposal to authorize the participation of certain Board members and senior executives in the boards of controlled subsidiaries of the Bank;
- (xiii) Having, pursuant to the matters mentioned under points (v) to (xii) above, adopted the "Special Report of the Board of Directors" produced in accordance with Article 152 of the Code of Money and Credit and Article 158 of the Code of Commerce and summarizing (x) the transactions entered into by the Bank with related parties (including affiliated companies and members of the Board of Directors) during the year ended December 31, 2022 and (y) the remuneration of the members of the Board and of the key Executives; and
- (xiv) Having adopted a recommendation of the Audit Committee to set the audit fees of the External Auditors of the Company "BDO, Semaan, Gholam & Co." and "Ernst & Young" for the financial year ending December 31, 2022 at USD 525,000 to each audit firm (plus VAT) (unchanged with respect to 2022).

Resolved to recommend to the General Meeting to adopt the following resolutions:

1. To approve the Bank's accounts, in particular, the balance sheet and the profit and loss statement, as of and for the year ended December 31, 2022, and to discharge the Chairman and members of the Board of Directors of the Bank in respect of the management activities performed during the year ended December 31, 2022;
2. To approve the allocation of the 2022 annual results;
3. To take note of the balances of facilities previously approved by the General Assembly of shareholders, granted in accordance with Article 152 of the Code of Money and Credit, and grant the necessary authorizations for the year 2023 pursuant to the same Article;
4. To ratify transactions that are subject to the approval of the General Assembly of shareholders, including transactions entered into between the Bank and the persons designated in article 158 of the Code of Commerce during the year 2022, and grant the necessary authorizations to transact with said persons during the year 2023;
5. To elect a new Board of Directors;
6. To determine the remuneration of Board members;
7. To authorise the participation of certain Board members and senior executives in the boards of other similar companies and to grant the necessary related authorisations pursuant to Article 159 of the Code of Commerce; and
8. To determine the fees of the External Auditors for the year 2023.

All as per the aforementioned Board reports, 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 2022 encompassing:
 - o The Audited financial statements of the Bank as at and for the year ended December 31, 2022 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, 2022;
 - o The interim financial report as at end March 2023.

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
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Attn: Mr. Tony Tooma
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Phone: 1 (212) 815 - 2136

The Bank:

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