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Press Release

Bank Audi Reinforces Its Financial Positioning

- Increase in core equity
- Negotiations to sell Bank Audi Egypt

Beirut, January 23, 2020

Increase in Core Equity

Bank Audi has started accepting US Dollar denominated cash contributions to capital from its shareholders (holders of common shares), in application of the first stage of Banque du Liban's circular 532. Shareholders holding the majority of the Bank's capital have already indicated their willingness to contribute, a valuable token of their commitment to Bank Audi and to Lebanon, particularly in the exceptional circumstances the country is currently going through. The remaining shareholders are also invited to participate in the cash contributions in order to increase the Bank's Common Equity Tier One by 10%.

The terms of the cash contributions, proposed by the Board of Directors in its meeting dated 26 December 2019, include a conversion provision, pursuant to which cash contributions may be converted into common shares. The conversion is expected to happen upon the final acceptance by the extraordinary general assembly of shareholders which will be held on 20 February 2020.

Negotiations to sell Bank Audi sae (Egypt)

Bank Audi is currently conducting exclusive negotiations with First Abu Dhabi Bank to sell its subsidiary in Egypt, noting that any final agreement remains subject to the receipt of regulatory approvals, including, in particular, that of the Central Bank of Egypt, and to abidance with its directives and instructions, and with those of the Central Bank of Lebanon, all in accordance with laws and regulations that are applicable to Bank Audi in Egypt and in Lebanon.

The selection of First Abu Dhabi Bank as exclusive bidder on this transaction was made taking into account the business continuity of Bank Audi Egypt and the interests of its stakeholders, in addition to the beneficial impact which the transaction is expected to have on the Bank's future business development.

First Abu Dhabi Bank, with its strong regional profile and its proven resources to complete the transaction in a timely manner, is a very appropriate match for the customers, management and staff of Bank Audi Egypt.

Discussions are still at an early stage and no definitive agreement has been reached.

At end-September 2019, Bank Audi Egypt's assets reached USD 4.4 billion, with shareholders' equity totaling USD 427 million. The proceeds of the sale will contribute to the enhancement of the Group's liquidity and financial resilience. The Bank has no current intention to engage in negotiations to sell any other subsidiary abroad.

Reinforced Financial Positioning

Commenting on both operations, Bank Audi’s Group CFO Tamer Ghazaleh stated “they represent a vote of confidence in Bank Audi’s domestic and regional operations, and should consolidate the Group’s role in facing the considerable challenges Lebanon is dealing with since the last quarter.” He added: “Bank Audi remains keen on enhancing the financial position of its subsidiaries in Lebanon and abroad, and on maintaining a level of shareholders’ equity which exceeds local and international regulatory requirements. Both operations lie within this context.”

About Bank Audi

Bank Audi is a regional group with a universal banking profile. The Bank offers universal financial products and services including Corporate, Commercial, Retail and Personal, and Private Banking services, in addition to Capital Market activities and Factoring.

As at end-June 2019, Bank Audi’s consolidated assets reached USD 47.5 billion, principally driven by private customers’ deposits of USD 31.8 billion, with shareholders’ equity reaching USD 3.8 billion. Bank Audi’s group staff headcount exceeds 6,200 employees and its shareholders’ base encompasses more than 1,500 holders of common shares and/or holders of Global Depositary Receipts (GDRs) representing common shares.

Bank Audi ranks first among Lebanese banking groups and is positioned in the inner circle of top regional banking groups. Its shares are listed on the Beirut Stock Exchange. Its GDRs are listed on both the Beirut Stock Exchange and the London Stock Exchange.

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