

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

**INFORMATION STATEMENT**

December 2, 2016

Dear Global Depositary Receipt Holder:

Reference is hereby made to the Amended and Restated Deposit Agreement dated May 10, 2010 (as may be amended from time to time, the “**Deposit Agreement**”) between Bank Audi s.a.l. (the “**Bank**”) and Deutsche Bank Trust Company Americas, 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 with a nominal value of L.L. 1,656 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 Extraordinary General Meeting of the Shareholders of the Bank to be held on December 21, 2016 (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 a holder of GDRs 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 December 2, 2016, which is the record date (the “**Record Date**”) established by the Depositary for this purpose (which is as near as practicable to December 20, 2016, 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. Verification of the completion of the procedures for the increase in the Bank’s capital through the issuance of 2,500,000 Series “I” Preferred Shares in accordance with Resolution No. 1 of the Extraordinary General Meeting held on November 29, 2016; and
2. 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 of the Bank (the “**Board of Directors**”) recommends a vote in favour of each such resolution.

Yours very truly,

Raymond Audi  
Chairman - General Manager  
Bank Audi s.a.l.

# 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 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

On November 10, 2016, the Board of Directors resolved to recommend to the extraordinary general meeting of Shareholders of the Bank the increase of Bank Audi's capital through the issuance of new Preferred Shares, Series "I", subject to Lebanese Law No 308/2001, each with a nominal value of L.L. 1,656 per Series "I" Preferred Share to and an issue premium for each Series "I" Preferred Share to be determined in U.S. Dollars as the difference between U.S.\$100.00 (being the subscription price per Series "I" Preferred Share) and the U.S. Dollar equivalent of L.L. 1,656, computed at the exchange rate prevailing on the first day of the subscription period.

On November 17, 2016, and in consideration of the receipt by the Bank of offers to purchase Series "I" Preferred Shares in amounts in excess of U.S.\$250,000,000, as compared to the initial indicative amount of U.S.\$150,000,000 (which was subject to increase), the Board of Directors resolved to propose to the extraordinary general meeting of Shareholders of the Bank to set the final size of the issue at U.S.\$250,000,000.

At the same meeting of November 17, 2016, the Board of Directors, having taken into consideration:

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

resolved to convene the Extraordinary General Meeting of Shareholders of the Bank to meet again on December 21, 2016 in order to verify the completion of the procedures for the increase in the Bank's capital through the issuance of 2,500,000 Series "I" Preferred Shares and to discharge the Chairman and members of the Board of Directors in respect of activities related to the Capital Increase.

On November 29, 2016, the November EGM approved the proposals submitted to it by the Board of Directors.

On November 30, 2016, the Bank has submitted the November EGM resolutions to the Central Bank of Lebanon and expects to receive the approval of the Central Bank of Lebanon (acting through its Central Council) on the November EGM resolutions before the date of the General Meeting.

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.

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

1. Verification of the completion of the procedures for the increase in the Bank's capital through the issuance of 2,500,000 Series "I" Preferred Shares in accordance with Resolution No. 1 of the Extraordinary General Meeting held on November 29, 2016; and
2. 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 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 voting instructions form 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.

## **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 2015; and
- The unaudited financial statements of the Bank as at and for the nine months period ended September 30, 2016;

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

*The Depositary:*

Deutsche Bank Trust Company Americas  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
Attn: Mrs. 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