



## **CORONAVIRUS (COVID-19) UPDATE**

Geneva, 16 April 2020

Dear Shareholders, Clients and Business Partners,

I trust that my message finds you and yours in good health and spirits.

I am writing to you to update you on the ongoing situation in Switzerland due to the Covid-19 pandemic.

Today, the spread of the Coronavirus has impacted Switzerland like it has most other countries. The Swiss government has taken several measures to curb the spread of the Coronavirus and ensure the proper delivery of the necessary healthcare to all those in need. Simultaneously, the Swiss authorities have put in place unique financial measures aimed at stemming the economic and social consequences of the pandemic. Further, it is important to note that Swiss financial institutions have continued to operate normally since the onset of the crisis. At the time of this letter and based on the information available, we are pleased to say that the pandemic appears to be under control across Switzerland.

Thanks to a proactive approach coupled with a well-rehearsed business continuity plan and a robust technological infrastructure, Arab Bank (Switzerland) Ltd. (hereinafter: ABS) was one of the first banks in Switzerland to provide to more than 85% of its employees the ability to work from a remote location, without sacrificing neither security nor the level of service. Our teams, across business lines, have been able to maintain a best in class service level and timely client focused solutions.

From a financial perspective, allow me to share with you a few metrics that speak to the strength of our balance sheet. Our Bank is well equipped to navigate such an environment thanks to our shareholders' equity solvency ratio (26.25%) which stands well above the standard set by the FINMA (11.2%) and the international monetary supervisory bodies. As shareholders and partners of the Bank, you will note the Bank's excellent risk-bearing capacities.

The Swiss Financial Market Supervisory Authority (FINMA) has recently called banks and insurers to reconsider their dividend plans for 2019 as a way of dealing with the major uncertainties associated with the Covid-19 crisis. Switzerland is not the only country asking banks to amend their dividends proposal. All over the world, central banks and regulators are urging banks to suspend their dividends payments. In Jordan, in accordance with the instructions of the Central Bank of Jordan, Jordanian banks are required to suspend the distribution of dividends. Despite its excellent financial situation, our sister company Arab Bank plc. must comply with this regulatory requirement.

While we are a legally independent institution, our Board of Directors has elected to propose to adopt the same restriction as our sister company in order to present a coherent approach towards our common shareholders and to adhere to the call formulated by the FINMA. Subject to the decision of the shareholders during the next Ordinary General Meeting, ABS may therefore not distribute dividends this year.

These are unusual times and rarely have we been tested in such profound and life-changing ways. I wish to assure you that we, at ABS, have taken all necessary measures to weather the uncertainty and continue to adapt our approach to respond to an ever-changing environment. Allow me to take this opportunity to thank you our shareholders, clients and partners, for the confidence and trust you have vested in us.

Yours faithfully,

Arab Bank (Switzerland) Ltd.

Serge Robin

CEO

A handwritten signature in black ink, appearing to be "S. Robin", written over the printed name and title.