



B M B I N V E S T M E N T B A N K

Public Announcement relating to Bahrain Middle East Bank B.S.C.

30 March 2017

Availability of Offer Documents

BAHRAIN MIDDLE EAST BANK B.S.C. (the “OFFEREE” or “BMB”) SHAREHOLDERS ARE HEREBY INFORMED THAT THE OFFER DOCUMENTS ARE NOW AVAILABLE TO BAHRAIN MIDDLE EAST BANK B.S.C. SHAREHOLDERS AS OF 30 MARCH 2017 RELATING TO THE FORMAL VOLUNTARY UNCONDITIONAL OFFER BY AN INVESTMENT W.L.L. (the “OFFEROR” or “ANI”) TO ACQUIRE UP TO 33.1% OF THE ISSUED AND PAID UP CAPITAL OF BAHRAIN MIDDLE EAST BANK B.S.C. WHICH REPRESENTS ALL THE OUTSTANDING SHARES OF THE ISSUED AND PAID UP CAPITAL OF BMB (OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT) IN CASH

The Offer Documents (including offer document, offeree board circular, containing details of the ANI offer, the views of the BMB board of directors on the offer and the written advice of the professional independent adviser as to whether the offer is, or is not, fair and reasonable and the reasons thereof together with any other information it considers to be relevant to enable shareholders to reach an informed decision on the ANI offer and the Acceptance and Transfer form) have been made available in electronic format on both the BMB (www.bmb.com.bh/offer) and the Bahrain Bourse websites.

In addition, it will also be available in a printed format for collection to all the Bank's shareholders whose names appear in the Bank's share register on the Record Date from the share registrar on 29 March 2017 pursuant to the Central Bank of Bahrain Rulebook Volume 6 (Takeovers, Mergers and Acquisitions Module).

Alternatively, any Shareholder who wishes to receive the copy of the Offer Documents, the Acceptance and Transfer Form, the Circular and any other related documents to an address in Bahrain may write to the Chief Executive Officer, BMB at the registered office of BMB at Building 135, Road 1702, Diplomatic Area, Block 317, Manama, Kingdom of Bahrain. Such Shareholders will be sent the documents by ordinary post at the Shareholder's own risk, up to three (3) days prior to the Offer Closing Date.

DISCLAIMER STATEMENT

THE OFFER DOCUMENTS HAVE BEEN FILED WITH THE CENTRAL BANK OF BAHRAIN IN ACCORDANCE WITH THE REQUIREMENTS OF THE CENTRAL BANK OF BAHRAIN VOLUME 6 – TAKEOVERS, MERGERS AND ACQUISITIONS MODULE.

THE CENTRAL BANK OF BAHRAIN, THE BAHRAIN BOURSE AND THE MINISTRY OF INDUSTRY, COMMERCE AND TOURISM ASSUME NO RESPONSIBILITY FOR THE

ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS ANNOUNCEMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ANNOUNCEMENT.

DIRECTORS' DECLARATION

THE DIRECTORS OF BAHRAIN MIDDLE EAST BANK B.S.C. ISSUING THIS ANNOUNCEMENT JOINTLY AND SEVERALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS ANNOUNCEMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT ACCORD WITH THE TERMS OF THE OFFER RECEIVED FROM AN INVESTMENT W.L.L. AND CONTAINS NO MATERIAL OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THIS ANNOUNCEMENT.

Shareholders should not rely on only this announcement but should refer to the contents of the Offer Documents and the offeree board circular. If you are in any doubt about the contents of this announcement and the aspects of the offer you should consult a licensed securities dealer or licensed institution in securities, a bank manager, solicitor, professional accountant or other professional advisors.

Key Dates

Firm Intention of ANI Offer	22 March 2017
Receipt of the Offer Document	26 March 2017
Record Date	29 March 2017
Offer Documents Availability Date	30 March 2017
Offer Opening Date	2 April 2017
Offer Closing Date	16 April 2017
Offer Acceptance / Rejection Announcement Date	17 April 2017
Offer Settlement Date	20 April 2017
Resumption of trading in BMB shares	23 April 2017

Details of the offer

Securities for which the offer will be made

The ANI offer is to acquire 80,097,018 ordinary shares which have a par value of USD 0.25 each in Bahrain Middle East Bank B.S.C. ("**BMB**") representing 33.1% of BMB's issued and paid up capital of Bahrain Middle East Bank B.S.C. ("**BMB Shares**"), which represents all the outstanding shares of the issued and paid up capital of BMB (other than those already owned by ANI and the parties acting in concert with it) in cash (the "**Offer**").

The Offeree

Bahrain Middle East Bank B.S.C. (the “**Offeree**” or “**BMB**”) is registered with the Ministry of Industry and Commerce and Tourism (“**MOIC**”) with Commercial Registration number 12266 as a Public Bahraini Shareholding Company. BMB has an issued and paid-up capital of USD 60,500,831.50 made up of 242,003,326 shares of USD 0.25 each. It is also licensed and regulated by the Central Bank of Bahrain (“**CBB**”) as a Conventional Wholesale Bank. Its securities are listed on Bahrain Bourse.

The Offeror

AN Investment W.L.L. (the “**Offeror**” or “**ANI**”) is registered with the Ministry of Industry and Commerce and Tourism (“**MOIC**”) with Commercial Registration number 86835 as a With Limited Liability Company. ANI has an issued and paid-up capital of BHD 20,000 made up of 400 shares of BHD 50.00 each. The shares of ANI are not publicly listed on any stock exchange.

Identity of Parties acting in concert

ANI and Al Fawares Holding Company KSC (c) are acting in concert. At the request of ANI and following discussions with the CBB, Al Fawares Holding Company KSC (c) will retain its shareholding in Bahrain Middle East Bank B.S.C., until at least 20th February 2019 to ensure a stable and smooth takeover and business integration. Hence, they are considered to be acting in concert as per the CBB rulebook.

Shareholding of ANI and Parties acting in concert

ANI currently owns 42.97% of the ordinary shares in BMB and Al Fawares Holding Company KSC (c) owns 23.93% of the ordinary shares in BMB.

ANI along with Al Fawares Holding Company K.S.C., hold 66.9% of the entire issued share capital of BMB.

Consideration of the offer

The consideration for the offer is USD 0.1322 per share (the “Offer Price”).

The Offer Price was determined by ANI based on assessment by ANI of the financial and non-financial information provided by BMB during the due diligence exercise carried out by ANI on BMB.

Shareholders eligible of the offer

Shareholders of BMB whose names appear in the BMB share register at the close of business on 29 March 2017 (the “**Record Date**”) will be eligible to receive the BMB offer.

Conditions precedent to the offer

The Offer is unconditional.

Suspension of Trading

Trading in BMB Shares have been suspended on the Bahrain Bourse (“BHB”) at the end of the trading hours on the Record Date, until payment has been effected to the BMB Shareholders accepting the ANI offer.

Offer acceptance procedures

The offer will be open for acceptance from 2 April 2017 (the “**Offer Opening Date**”) to 16 April 2017 (the “**Offer Closing Date**”) (the “**Offer Period**”).

All the eligible BMB shareholders willing to accept the ANI offer, prior to acceptance, will be required to hold the BMB shares in a trading account with a registered broker in BHB. As part of the acceptance procedures they will be required to forward to the Receiving Agent, Karvy Computershare W.L.L., a completed Acceptance and Transfer form, copies of identification documents and a statement of account from the BHB in respect of their BMB shares that are being surrendered during the Offer Period held in electronic form with a registered broker in BHB. Please refer to section 3.8 entitled “Offer Acceptance Procedures” and section 4 entitled “Procedures for Accepting the Offer” of the ANI Offer Document for further details.

All announcements will be made through the BHB and will be available on the website. Some of these announcements will also be made through newspapers published in the Kingdom of Bahrain as required by the TMA.

According to the ANI Offer Document, cash settlement for the offer shall be effected by the BHB on the trading system through registered brokers. On the settlement date, the BHB shall affect the transfer of shares and update the shareholders’ registry of BMB to reflect change of ownership. Based on the actual number of shares transferred, the settlement consideration at USD 0.1322 per share shall be settled by the broker acting on behalf of ANI to BHB. In turn, BHB shall settle amounts due to each broker acting on behalf of individual selling shareholders of BMB subject to and as per BHB settlement rules.

Further details are included in the Offer Documents that are made available to the shareholders of BMB pursuant to the Central Bank of Bahrain Rulebook Volume 6 – Takeovers, Mergers and Acquisitions Module.

Key Parties

The Offeree

Bahrain Middle East Bank B.S.C.
Building 135, Road 1702,
Block 317, Diplomatic Area
Manama, Kingdom of Bahrain
Tel: (973) 17 532345
Fax: (973) 17 530987

The Offeror

AN Investment W.L.L.
Building 135, Road 1702, Diplomatic Area

Flat 121, Block 317
Manama, Kingdom of Bahrain
Tel: (973) 17 5322345
Fax: (973) 17 530987

Share Registrar and Receiving Agent

Karvy Computershare W.L.L.
Office No. 74, 7th Floor, Al-Zamil Tower, Building No 31
Road No, 383, Block No. 305,
Manama, Kingdom of Bahrain
Tel: (973) 17215080
Fax: (973) 17212055

Professional Independent Advisor to the Offeree

Grant Thornton Abdulaal
Al Nakheel Tower, 12th Floor,
P.O. Box 11175, Kingdom of Bahrain
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Fax: (973) 17500199



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Duly authorised signatory
For and on behalf of
Bahrain Middle East Bank B.S.C.