

DATED 22 March 2017

**AN Investment W.L.L.**

(Incorporated in the Kingdom of Bahrain)

Registration Number 86835

---

**ANNOUNCEMENT OF AN INVESTMENT W.L.L.'S FIRM INTENTION TO MAKE A VOLUNTARY UNCONDITIONAL OFFER TO ACQUIRE UP TO 33.1% OF THE ISSUED AND PAID UP CAPITAL OF BAHRAIN MIDDLE EAST BANK B.S.C. ("BMB") 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**

**DISCLAIMER STATEMENT**

THE CENTRAL BANK OF BAHRAIN AND THE BAHRAIN BOURSE ASSUME NO RESPONSIBILITY FOR THE CONTENT OF THIS ANNOUNCEMENT, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS 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. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR SECURITIES OF BAHRAIN MIDDLE EAST BANK B.S.C.

**Important note:** Pursuant to TMA-2.7.6 of the Central Bank of Bahrain ("**CBB**") Rulebook, Volume 6, Takeovers, Mergers and Acquisitions Module ("**TMA**"), the offer document should be sent to the offeree company by or on behalf of the offeror within 21 calendar days of the date of the announcement of the terms of the offer.

**Date of submission of the statement of firm intention**

AN Investment W.L.L. (“ANI”) notified the board of directors of Bahrain Middle East Bank B.S.C. on 22 March 2017, that it has a firm intention to make a voluntary unconditional offer to acquire up to 33.1% % of the issued and paid up capital of BMB, 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”).

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.

**Identity of the Offeror making the statement of firm intention to make an offer**

AN Investment W.L.L.  
Building 135, Road 1702, Diplomatic Area  
Flat 121, Block 317  
Manama, Kingdom of Bahrain

**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.

**Identity of the Offeror making the statement of firm intention to make an offer**

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.

**Shareholders of the Offeror**

The summary of principal shareholdings in ANI as of this date is given below:

Name of Shareholder	Holding
Huseyin Basaran	70.00%

Ardases Saro Kavafyan	15.00%
Murat Solak	15.00%

**Intention to make an offer to purchase securities of**

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

Bahrain Middle East Bank B.S.C. (the “**Offeree**” or “**BMB**”) is registered with 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 licensed and regulated by the Central Bank of Bahrain (“**CBB**”) as a Conventional Wholesale Bank. Its securities are listed on Bahrain Bourse.

**Details of securities for which an offer will be made**

80,097,018 ordinary shares of USD 0.25 each of BMB, representing 33.1% of the 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.

**Consideration for the Transaction**

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.

**Mechanism**

The Offer will be implemented by way of a Voluntary offer to the shareholders of BMB by ANI in line with the provisions of the CBB Rulebook, Volume 6, Takeovers, Mergers and Acquisitions Module (“**TMA**”).

**Offer finance sources**

The total consideration for the Offer has been funded by ANI.

ANI has opened an escrow account wherein a sum equivalent to the total consideration of the Offer has been deposited. The

escrow account has been opened with Securities & Investment Company BSC(c) (“SICO”), which is the Escrow Agent.

**Conditions to which the offer or the posting is subject**

The Offer is unconditional.

**Offeror’s intention for the future of the company**

Following the successful implementation of the Offer and acquisition of shares, ANI will maintain BMB’s commercial registration. BMB will continue to operate in accordance with its normal course of business as a subsidiary of ANI. This will ensure that there is no disruption to or cessation of any significant line of operations of BMB as a result of the proposed acquisition of shares under the Offer.

Within one year following the closing of the Offer, ANI intends to increase the paid up capital of BMB from USD 60,500,831.50 to USD 100,000,000.

**Details of any existing holding of BMB Shares and rights over the BMB Shares**

ANI currently holds 104,000,000 shares of USD 0.25 each in the capital of BMB equal to 42.97% of the entire issued share capital of BMB.

**Details of any outstanding derivative in respect of the BMB shares entered into by ANI or any parties acting in concert with it**

None

**Details of any arrangement (whether by way of option, indemnity or otherwise) in relation to the ANI shares or BMB Shares which might be material to the offer**

None

**Details of any relevant securities of BMB in which ANI or any parties acting in concert with it has an interest or has a right to subscribe**

None

**Details of any relevant securities of BMB which ANI or any parties acting in concert with it has borrowed or lent, excluding any borrowed shares which have been either on-lent or sold**

None

**Details of any agreements or arrangements to which ANI is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or the consequences of its doing so, including details of any break fees payable as a result**

None

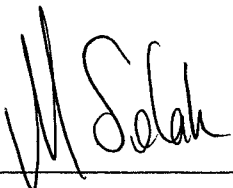
**Details of any arrangement for the payment of an inducement fee or similar arrangement**

None

**Certainty of Funding**

SICO, in their capacity as Escrow Agent has confirmed to the Board of Directors of BMB that the Offeror has deposited in to the Escrow Account the total consideration for the Offer to satisfy full implementation of the Offer.

On behalf of the Board of ANI



**Murat Solak**

Director