



BAHRAIN MIDDLE EAST BANK

Disclosure of Material Information

الإفصاح عن معلومات جوهرية



To: Bahrain Bourse

السادة / بورصة البحرين

Bahrain Middle East Bank B.S.C would like to announce the following material information:

تعلن شركة بنك البحرين والشرق الأوسط ش.م.ب. عن الإفصاح عن معلومات جوهرية المبين تفاصيلها أدناه:

Date	4 June 2020	التاريخ
Company Name	Bahrain Middle East Bank B.S.C.	إسم الشركة
Trading Code	BMB	رمز التداول
Subject	Statement to the Shareholders of the Bank	الموضوع
Material Information	(Enclosed)	المعلومات الجوهرية
Impact on Financial Position	Nil	الأثر على المركز المالي
Previous relevant disclosures (if any)	Annual Report for the year 2019, specifically the disclosures under the sections “Board of Directors and Acting Chief Executive Officer’s Report” and “Consolidated Statement of Financial Position At 31 December 2019”	إفصاحات سابقة ذات صلة (إن وُجدت)

Name	Mohamed Alhusaini	الإسم
Title	Head of Compliance & MLRO	المسمى الوظيفي
Company Seal ختم الشركة	Signature التوقيع	
		

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Bahrain Middle East Bank B.S.C. is licensed as a conventional wholesale bank by the Central Bank of Bahrain. CR No. 12266

Bahrain Middle East Bank B.S.C.
Statement to the Shareholders of the Bank

Bahrain Middle East Bank B.S.C. (the “**Bank**”) would like to provide the following statement to the Shareholders of the Bank on the financial position of the Bank, the suspension of trading of its shares on the Bahrain Bourse and the actions being taken to restore its financial position.

With respect to the Bahrain Middle East Bank B.S.C. consolidated financial statements and financial position for the Financial Year ended 31 December 2019, which stated accumulated losses of 216.55% of the Bank’s share capital, the Bank confirms the following.

The Board of Directors has called an Extraordinary General Meeting (EGM) to consider and decide the continuity of the Bank in accordance with the requirements of the Bank’s Memorandum of Association and its Articles of Association and the Commercial Companies Law No. 21 of 2001, as amended, but a quorum could not be met for an EGM to be validly convened.

Trading of the Bank’s shares on the Bahrain Bourse remains suspended by the Central Bank of Bahrain (the “**CBB**”), the Capital Markets Supervision Directorate (the “**CMSD**”). This decision was made in an effort to ensure investors’ protection in the capital market in the Kingdom of Bahrain.

The Bank has taken the below steps to utilize the available liquidity and other resources efficiently and cost effectively to achieve the Bank’s objective of restoring the Bank’s financial position and recovering non-performing assets (which were conservatively provided for as at 31 December 2019):

- The Bank has limited its business activities to managing its remaining liquidity and focusing all resources and efforts on the recovery of outstanding debts.
- The Bank has commenced a number of legal actions to recover amounts owed to the Bank in the Kingdom of Bahrain and in jurisdictions outside of the Kingdom of Bahrain. The Bank has reported an increase of 38% on spending related to Legal and Professional expenses during 2019 compared to 2018. Legal actions are at an early stage and further announcements will be made in due course.
- The Bank has reduced the Bank’s operation costs and expenses, which included, but was not limited to restructuring and downsizing the Bank’s workforce. The Bank has reported a reduction in total operating costs before one-off provisions of 14% as reported in the financial statements for 31 December 2019 attributed to a decrease of 11% in staff costs and 98% decrease in travel and business development expenses.
- The Board of Directors of the Bank and its Executive Management are extending their support to the Bank for the Bank to continue to operate as a going concern as discussed in the Board of Directors and Acting CEO Report, which can be accessed [here](#).