



**KUWAIT FINANCE HOUSE K.S.C.P.**

(Incorporated in the State of Kuwait)  
Commercial Registration Number 26066

**KUWAIT FINANCE HOUSE K.S.C.P. VOLUNTARY CONDITIONAL OFFER TO ACQUIRE UP TO 100% OF THE ISSUED ORDINARY SHARES OF AHLI UNITED BANK B.S.C. BY WAY OF A SHARE SWAP AT AN EXCHANGE RATIO OF 0.371 NEW KFH SHARE FOR EACH 1 AUB SHARE OR 2.695 AUB SHARES FOR 1 NEW KFH SHARE.**

**OFFEROR'S ANNOUNCEMENT OF DISPATCH OF THE OFFER DOCUMENT TO THE OFFEREE**  
THE OFFER DOCUMENT IS A COMPLEX DOCUMENT AND THE FOLLOWING IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY, AND IS SUBJECT TO, THE CONTENTS OF THE OFFER DOCUMENT

**DISCLAIMER STATEMENT**

THE CENTRAL BANK OF BAHRAIN, BAHRAIN BOURSE AND THE MINISTRY OF INDUSTRY AND COMMERCE IN THE KINGDOM OF BAHRAIN ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THE OFFER DOCUMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS TO THE OFFER DOCUMENT.

**DIRECTORS' STATEMENT**

THE DIRECTORS OF KUWAIT FINANCE HOUSE K.S.C.P. ISSUING THIS ANNOUNCEMENT, WHOSE NAMES APPEAR BELOW, JOINTLY AND SEVERALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS OFFER DOCUMENT. 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 THE OFFER DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE OFFER DOCUMENT.

**Reference is made to the notice of Firm Intention to make an Offer issued by Kuwait Finance House K.S.C.P. (the "Offeror" or "KFH") dated 25 July 2022 to Ahli United Bank B.S.C. (the "Offeree" or "AUB")'s board of directors. Capitalised terms used herein and not defined have the meaning as defined in the Offer Document.**

**The Offer**

KFH's voluntary conditional offer to acquire up to 100% of the issued ordinary shares of AUB by way of a share swap and subject to the fulfilment, or waiver by KFH (where applicable), of the conditions outlined below (the "Offer").

**Dispatch of the Offer Document**

KFH dispatched the Offer Document to the board of directors of AUB on 25 July 2022.

**The Offeror**

**Pursuant to TMA-2.7.7 of the Central Bank of Bahrain ("CBB") Rulebook, Volume 6, Takeovers, Mergers and Acquisitions Module ("TMA"), the Offer Document and the Offeree board circular must be sent to the Offeree shareholders by, or on behalf of, the Offeror within 21 calendar days of the date of receipt of the Offer Document by the Offeree.**

**Kuwait Finance House K.S.C.P.**  
PO Box 24989 Safat 13110 Kuwait  
Telephone: + (965) 22445050

KFH is registered with the Ministry of Commerce and Industry in the State of Kuwait under commercial registration number 26066 as a Public

Kuwaiti Shareholding Company whose ordinary shares are listed on Boursa Kuwait (the “**BK**”).

KFH is licensed by the Central Bank of Kuwait (the “**CBK**”) as a locally incorporated bank operating as an Islamic bank and provides a wide range of banking Sharia’a compliant products and services, covering real estate, trade finance, investment portfolios, commercial, retail and corporate banking and is available in Kuwait, Kingdom of Bahrain, Kingdom of Saudi Arabia, Turkey, Malaysia, and Germany.

KFH has an authorized share capital of KWD 1,348,570,712.700 and an issued and paid-up share capital of KWD 928,570,712.700 divided into 9,285,707,127 ordinary shares with a nominal value of KWD0.100 each and 9,207,101,211 outstanding ordinary shares with a nominal value of KWD0.100 each.

<b>Board of Directors of the Offeror</b>	<b>Title</b>
Hamad Abdul Mohsen Al Marzouq	Chairman
Abdul Aziz Yacoub Alnafisi	Vice Chairman
Fahad Ali AlGhanim	Director
Muad Saud Al Osaimi	Director
Khaled Salem Al Nisf	Director
Noorur Rahman Abid	Independent Director
Hanan Yousef Ali Yousef	Director
Motlaq Mubarak Al-Sanei	Director
Salah Abdulaziz Al-Muraikhi	Director
Ahmed Meshari Al Faris	Independent Director
Hamad Abdullateef Al Barjas	Director
Mohammed Nasser Al Fouzan	Director

Management of the Offeror	Title
Abdulwahab Issa Al-Rushood	Group Chief Executive Officer & Group Chief Treasury Officer
Shadi Ahmed Zahran	Group Chief Financial Officer
Khaled Yousif Al-Shamlan	Group Chief Retail, Private Banking Officer and Group General Manager Retail Banking
Ahmed Soud Al Kharji	Group Chief Corporate Banking Officer
Fahad Khaled Al-Mukhaizeem	Group Chief Strategy Officer
Gehad Mohamed El-Bendary	Group Chief Risk Officer
Zeyad Abdulla Alomar	Group Chief Human Resources Officer
Haitham Abdulaziz Alterkait	Group Chief Information Technology Officer
Abdullah Mohammed Abu Al-Hous	Group Chief Operations Officer
Wissam Sami El-Kari	Group Chief Internal Auditor
Dr Khaled Mohammed Al-Jumah	General Manager Group Legal

### The Offeree

#### **Ahli United Bank B.S.C.**

Building 2495, Road 2832, Al Seef District 428  
 PO Box 2424, Manama  
 Kingdom of Bahrain

AUB is registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration number 46348 as a Public Bahraini Shareholding Company whose ordinary shares are listed on the Bahrain Bourse (the “**BB**”) and BK.

AUB is licensed by the Central Bank of Bahrain (the “**CBB**”) as a locally incorporated bank operating as a conventional retail bank and providing its clients through its network of subsidiaries and associated companies with: (i) retail banking; (ii) corporate banking; (iii) treasury and investment services; (iv) private banking and wealth management services; and (v) Islamic banking products & services besides offering conventional and Takaful life insurance products. AUB operates regionally through its subsidiaries and associates in United Kingdom, United Arab Emirates, Egypt, Kuwait, Iraq, Libya and Oman.

AUB has an issued and paid-up share capital of USD 2,786,982,864.50 divided into 11,147,931,458 ordinary shares with a nominal value of USD 0.25 each.

**Details of securities for which the offer is made**

The Offer is to acquire AUB shares that represent up to 100% of AUB's issued share capital. That is inclusive (as of the date of the Offer Document) of 11,147,931,458 (eleven billion, one hundred and forty-seven million, nine hundred and thirty-one thousand and four hundred fifty-eight) AUB Shares of a nominal value of USD 0.25 each and any AUB shares that are issued, whether as dividends shares, shares issued pursuant to AUB's employee stock option plan, after the date of the Offer Document, but before the Effective Date (the "**AUB Shares**").

KFH has not purchased or sold AUB Shares during the 12-month period prior to the date of the Offer Document and does not hold any AUB Shares and has not held in the past any direct or indirect shareholding in AUB as of the date of the Offer Document.

**Consideration for the Offer**

The consideration for the offer is new shares in the Offeror at an exchange ratio of 1 New KFH Share for each 2.695 AUB Shares.

**Conditions Precedent to the Offer**

The implementation of the Offer will be subject to the fulfilment or waiver, where applicable, of the following Conditions Precedent. For the avoidance of doubt, the Offer shall not become unconditional unless the below Conditions Precedent are fulfilled or waived, where applicable, by KFH:

- (a) KFH having received acceptances in respect of AUB Shares representing at least 90% of the total outstanding share capital of AUB, which would result in total ownership by KFH of at least 90% of the total outstanding share capital of AUB (the "**Requisite Acceptances**").
- (b) Receipt of all regulatory and statutory approvals, exemptions and/or waivers from the CBB and the Kuwait Capital Markets Authority as may be determined to be required in connection with the Offer, the acquisition of up to 100% of the issued ordinary shares of AUB and the issuance of new KFH shares.
- (c) Receipt of all regulatory and statutory approvals, exemptions and/or waivers from any other regulatory or statutory authority as may be determined to be required in connection with the Offer and the acquisition of up to 100% of the issued ordinary shares of AUB.
- (d) KFH completing all the steps required, and obtaining all regulatory approvals required to, complete a cross-listing of the KFH shares on BB as at the Effective Date in line with the applicable rules and regulations of the CBB and BB.
- (e) No material breach of the warranties given by AUB in the implementation agreement (to be entered into between KFH and AUB in respect of this Offer) having occurred during the period up to (and inclusive of) the Initial Offer Closing Date as such term is defined in the Offer Document (provided, however, that if such breach is capable of remedy, and is remedied to the reasonable satisfaction of the non-breaching party prior to such

date, this Condition Precedent shall not be deemed unsatisfied as a result solely of such breach).

- (f) No Material Adverse Effect having occurred prior to, and being continued as at, the date on which the Offer would have been declared unconditional in all respects but for the occurrence of a Material Adverse Effect.

**AUB Shareholders and/or potential investors of AUB should note that the Offer is subject to the satisfaction or, with the exception of the Condition Precedent at (b) and (d) above, waiver by KFH (where applicable), of the Conditions Precedent<sup>1</sup>, and is conditional upon the Offer becoming or being declared unconditional in all respects.**

**Accordingly, the Offer may or may not become unconditional. Shareholders and/ or potential investors of AUB should therefore exercise caution when dealing in the securities of AUB. Persons who are in doubt as to the action they should take should consult their licensed brokers, dealers, solicitors, professional accountants or other professional advisers.**

**In the event the Requisite Acceptances are not received by the Initial Offer Closing Date, KFH reserves the right to waive condition (a) above and proceed to declaring the offer unconditional in all respects (subject to the satisfaction or, where applicable, waiver of the other conditions), in which case KFH may either (i) proceed to settlement of the Offer after the Final Offer Closing Date; or (ii) announce that it intends to seek the delisting of AUB from BB and BK, and request that the AUB Board (subject to the approval of the CBB and other competent regulatory authorities in Bahrain), after the Final Offer Closing Date, invites the shareholders of AUB to convene a general meeting in order to consider and approve the delisting of AUB from the BB and the BK. All AUB Shareholders, other than the Offeror and persons acting in concert with the Offeror, including shareholders who Accept the Offer, shall be eligible to vote their shares in such general meeting.**

**Offer expected timeline and key dates** The key dates for the Offer will be determined in accordance with the CBB's regulations and, in particular, the TMA. The timetable set out below will be announced by AUB and KFH in due course and will depend, amongst other things, on whether (and the dates on which) the Conditions are satisfied.

<b>Event</b>	<b>Time and/or Date</b>
Date of the Offer Document	25 July 2022
Last Trading Date	To be announced
Suspension Date	To be announced
Record Date for AUB BB Shares	To be announced
Record Date for AUB BK Shares	To be announced
Offer Opening Date	To be announced
Initial Offer Closing Date	To be announced

<sup>1</sup> KFH shall not waive the condition set out in (a) unless, as at the Initial Offer Closing Date, KFH has received Acceptances which represent at least 50% of the total outstanding share capital of AUB.

Offer to be declared unconditional in all respects	To be announced
Squeeze-Out Notice to Dissenting Shareholders sent / published <sup>(1)</sup>	To be announced
Final Offer Closing Date	To be announced
Release of the New KFH Shares to accepting AUB Shareholders <sup>(2)</sup>	Effective Date
Effective Date <sup>(3)</sup>	To be announced
End of Dissenting Shareholders 60-day objection period	To be announced
Release of the New KFH Shares to Dissenting Shareholders	To be announced

Notes

- (1) KFH will deliver the Squeeze-Out Notice in the manner described in section 5.10 of the Offer Document.
- (2) Subject to the approval of the CMA on issuance of the New KFH Shares and adhering to the applicable laws and regulations in Kuwait and Bahrain.
- (3) Subject to the Conditions Precedent of the Offer having been satisfied or (where applicable) waived and, where applicable, after the general assembly, described in section 5.7 of the Offer Document, is held.

**KFH Post Acquisition Strategy**

Following the successful implementation of the Offer and Acquisition of shares, KFH intends to maintain AUB’s commercial registration, however, KFH intends on changing AUB’s name in due course to reflect its acquisition by KFH. AUB will continue to operate under normal course of business and maintain its operations as a wholly owned subsidiary of KFH where disruption to or cessation of any significant line of operations of AUB is not expected to occur as a result of the proposed acquisition of shares under the Offer.

KFH will, in due course following the successful implementation of the Offer, convert AUB into a closed Bahrain shareholding company

Given that KFH is a Sharia’a compliant institution and undertakes only Sharia’a compliant activities, the principal change to be implemented immediately post-Offer would be to commence the process of converting the subsidiaries of AUB in the Kingdom of Bahrain, Egypt, Iraq and the United Kingdom to Sharia’a compliant entities.

Following the successful completion of the Offer, KFH will seek all the approvals required to commence the process of converting AUB Kuwait to a digital bank. Immediately following the successful completion of converting AUB’s business to be Sharia’a compliant, KFH will commence the process of conducting a statutory merger to merge its two wholly owned subsidiaries in Bahrain, being AUB and KFH Bahrain, to become “Kuwait Finance House – Bahrain”. This merger would result

in the assets and liabilities of KFH Bahrain being assumed by AUB, as per applicable law.

**Procedures for accepting the Offer**

All AUB Shareholders holding AUB BB Shares who are willing to accept the Offer will be required to submit the completed Acceptance and Transfer Form (along with the required documentation) to the Bahrain Receiving Agent or Participating Branches or submit them at the following link: [www.ipo.com.kw](http://www.ipo.com.kw) during the Offer Period.

All AUB Shareholders holding AUB BK Shares who are willing to accept the Offer will be required to submit the required documentation at the following link: [www.ipo.com.kw](http://www.ipo.com.kw) during the Offer Period.

Copies of the Offer Document can be obtained from the offices of the Receiving Agents, BB and the Participating Branches. An electronic copy of the Offer Document can be located at the following link: [www.bahrainbourse.com](http://www.bahrainbourse.com) or [www.sicobank.com](http://www.sicobank.com). Copies of the Acceptance and Transfer Form can be (i) in Bahrain, obtained from the offices of the Bahrain Receiving Agent, BB and the Participating Branches as well as the following link: [www.ipo.com.kw](http://www.ipo.com.kw); (ii) in Kuwait, provided and completed electronically at [www.ipo.com.kw](http://www.ipo.com.kw).

**Offer finance sources**

Excluding the impact of fractional entitlements, the consideration of the offer will be financed through an issue of up to 4,200,000,000 new shares in KFH (assuming the acquisition by KFH of 100% of AUB's share capital), which has been approved by the extra ordinary general assembly of KFH held on 25 July 2022. The final consideration number of new KFH shares will be determined and announced by KFH as part of the offer process.

**Important note: Pursuant to TMA-2.20 and TMA-2.21, the Offeror's associates are reminded of the restrictions to dealing and to disclose all dealings in any securities of Ahli United Bank B.S.C.**

**On behalf of the Board of Kuwait Finance House K.S.C.P.**

Hamad Abdul Mohsen Al Marzouq  
Chairman

Offeror				
Kuwait Finance House K.S.C.P.				
				
Financial Advisor to the Offeror	Legal Advisor to the Offeror	Bahrain Receiving Agent	Bahrain Receiving Agent, Bahrain Execution Advisor and Cross Listing Advisor	Kuwait Receiving Agent and Allotment Agent
Goldman Sachs International, Dubai International Financial Centre (DIFC) Branch	Freshfields Bruckhaus Deringer LLP	Bahrain Clear B.S.C.(c)	SICO B.S.C.(c)	Kuwait Clearing Company K.S.C.
				