

Ref. No.: 2020/03/RG/74
17 March 2020

Chief Executive Officer
Boursa Kuwait
State of Kuwait

السيد الفاضل/ الرئيس التنفيذي لبورصة الكويت
بورصة الكويت
دولة الكويت

Dear Sir,

تحية طيبة وبعد،،،

**Subject: Updated Announcement to the
shareholders of Ahli United Bank B.S.C.**

**الموضوع: إعلان (محدث)
لمساهمي البنك الأهلي المتحد ش.م.ب.**

With reference to the above subject matter, please find attached a copy of the updated announcement to the shareholders of Ahli United Bank B.S.C. ("AUB"), relating to the voluntary conditional offer by Kuwait Finance House K.S.C.P. to acquire 100% of the issued and paid up shares of AUB.

بالإشارة إلى الموضوع المذكور أعلاه، تجدون مرفقاً نسخة من الإعلان المحدث الصادر لمساهمي البنك الأهلي المتحد ش.م.ب. ("الأهلي المتحد") المتعلق بالعرض الطوعي المشروط المقدم من قبل بيت التمويل الكويتي ش.م.ك.ع. للاستحواذ على 100% من أسهم الأهلي المتحد.

AUB will provide additional disclosures on this matter, as required, on a prompt ongoing basis, to ensure transparency and to comply with governing laws and regulations.

سيقوم الأهلي المتحد بالإفصاح فوراً وتباعاً عن أية تطورات بخصوص هذا الموضوع حرصاً على الشفافية وعلى مصالح مساهمي والمتعاملين معه والتزاماً بالقوانين واللوائح المنظمة لذلك.

Yours sincerely,

تفضلوا بقبول جزيل الشكر والامتنان.


For Ahli United Bank B.S.C.

عن البنك الأهلي المتحد ش.م.ب.



ANNOUNCEMENT (Updated as of 16 March 2020) TO THE SHAREHOLDERS OF AHLI UNITED BANK B.S.C.

Ahli United Bank B.S.C. ("AUB") shareholders are hereby notified that the Circular issued by the AUB Board, the Offer Document issued by Kuwait Finance House K.S.C.P. ("KFH") and the Acceptance and Transfer Form (and together with the Circular and the Offer Document, the "Offer Documents") relating to the voluntary conditional offer by KFH to acquire 100% of the issued and paid up ordinary shares of AUB by way of a share swap at an exchange ratio of 1 New KFH Share for each 2.325581 AUB Shares (the "Offer") were posted on the websites of AUB, the Bahrain Bourse (the "BB") and the Boursa Kuwait (the "BK") on 16 March 2020 (the "Posting Date").

The Circular contains the following:

- the letter to the AUB Shareholders from the Board;
- the recommendation letter from the Board to the AUB Shareholders; and
- the fairness opinion of the Professional Independent Adviser.

Terms not defined herein are defined in the Circular.

DISCLAIMER STATEMENT

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

THE CENTRAL BANK OF BAHRAIN, THE BAHRAIN BOURSE AND THE MINISTRY OF INDUSTRY, COMMERCE AND TOURISM, IN THE KINGDOM OF BAHRAIN, 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 HOWSOEVER ARISING FROM THE RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ANNOUNCEMENT.

DIRECTORS' DECLARATION

THE DIRECTORS OF AUB, 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 IS IN ACCORDANCE WITH THE TERMS OF THE OFFER RECEIVED FROM KFH 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 Document and the 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 advisers.

DISPATCH OF OFFER DOCUMENTS TO THE SHAREHOLDERS

The Circular and Offer Document will be dispatched by mail to all AUB Shareholders whose names appear in the AUB share register as at the Record Date at their addresses as registered in the share register pursuant to the Central Bank of Bahrain Rulebook Volume 6, Takeovers, Mergers and Acquisitions Module.

AUB Shareholders may also obtain a copy of the Circular and the Offer Document from offices of the Receiving Agents, BB and Participating Branches in Bahrain being the Seef Headquarters, Central Manama, Seef Mall Muharraq, Mercado Mall, Juffair Oasis Mall and Riffa branches (full details of which are set out in paragraph 8.2 of Part IV of the Circular).

Copies of the Acceptance and Transfer Form can be: (i) in Bahrain, obtained from the offices of the Bahrain Receiving Agents, the BB and the Participating Branches; and (ii) in Kuwait, procured and completed electronically at the offices of the Kuwait Receiving Agent.

The Offer Documents shall also be available on AUB's website - <https://www.ahliunited.com>, BB's website - <https://www.bahrainbourse.com>, and BK's website - <https://boursakuwait.com/kw/>

Alternatively, any AUB Shareholder who wishes to receive a copy of the Offer Documents (as applicable, noting that the AUB Shareholders of AUB BK Shares will procure and complete Acceptance and Transfer Forms electronically at the offices of the Kuwait Receiving Agent) may write to the Board Secretary of AUB at the registered office of AUB at Building 2495, Road 2832, Al Seef District 428, Manama, Kingdom of Bahrain or by email to corporate.secretary@ahliunited.com, in each case up to three (3) days prior to the Final Offer Closing Date. Such AUB Shareholders will be sent the Offer Documents by ordinary post at the AUB Shareholder's own risk.

DETAILS OF THE OFFER

THE OFFEREE

AUB is registered with the MOICT under commercial registration number 46348 as a public Bahraini shareholding company whose ordinary shares are listed on the BB and BK.

AUB is licensed by the CBB as a locally incorporated bank operating as a conventional retail bank and providing its client 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, associates and branches in United Kingdom, Kuwait, Egypt, United Arab Emirates, Iraq, Libya and Oman.

SECURITIES FOR WHICH THE OFFER IS MADE

The Offer is to acquire AUB Shares that comprise 100% of AUB's issued and paid up share capital that is inclusive of 8,774,444,281 (eight billion, seven hundred and seventy-four million, four hundred and forty-four thousand and two hundred eighty-one) AUB Shares of a nominal value of USD0.25 each and any AUB shares that are issued and paid as bonus shares after the date of the Offer Document, but before the Effective Date.

THE OFFEROR

KFH is registered in the State of Kuwait with MOCI under commercial registration number 26066 as a public Kuwaiti shareholding company whose ordinary shares are listed on the BK.

KFH is licensed by the CBK as a locally incorporated bank operating as an Islamic Bank and provides wide range of banking Sharia 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.

As at the date of the Offer Document, KFH has an authorised share capital of KWD1,117,648,920.200 and an issued and paid up share capital of KWD697,648,920.200 divided into 6,976,489,202 ordinary shares with a nominal value of KWD0.100 each.

SHAREHOLDING AND DEALINGS IN AUB

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 as of the date of the Offer Document. Some of the directors of KFH hold AUB Shares as highlighted in section 10 (Cross Shareholdings by the Offeror and its Directors in AUB) of the Offer Document as of the date of the Offer Document.

CONSIDERATION FOR THE OFFER

The consideration for the Offer is the issue of New KFH Shares at the Exchange Ratio of 1 New KFH Share for each 2.325581 AUB Shares, provided that the Offer becomes

unconditional after the fulfilment, or waiver (where applicable), of the Conditions Precedent. Please refer to section 5.4 of the Offer Document for further details.

SHAREHOLDERS ELIGIBLE FOR THE OFFER

AUB Shareholders whose names appear in the AUB Share register on the Record Date will be eligible to receive the Offer.

SUSPENSION OF TRADING

Trading in AUB Shares will be suspended for the duration of the Suspension Period commencing on the Suspension Date and continuing until the earlier of: (i) the date on which the Offer is discontinued due to failure in declaring it unconditional as to the Requisite Acceptances; or (ii) the date on which the Offer is discontinued due to failure in declaring it unconditional in all respects; or (iii) the Effective Date.

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.

- Receipt of the Requisite Acceptances.
- Following receipt of the Requisite Acceptances, the AUB Shareholders approving, amongst other things, and subject to any legal and regulatory requirements, converting the AUB business in Bahrain to Sharia compliant at the AUB EGM by a majority vote of two thirds of the AUB Shares represented at the AUB EGM.
- Receipt of all regulatory and statutory approvals, exemptions and/or waivers in connection with the Offer and the acquisition of no less than 100% of the issued and paid up ordinary shares of AUB, including receipt of the CBB and CBK final approvals, exemptions and/or waivers required to implement the Offer, receipt of the CMA approval for the issuance of the New KFH Shares and receipt of any other approval required from any regulatory or statutory authority as may be determined.
- KFH successfully completing a cross-listing on BB in line with the applicable rules and regulations of the CBB and BB.

In respect of Condition Precedent (b) above, the invitation to the AUB EGM will be published upon declaring the Offer unconditional as to Requisite Acceptances in line with the provisions of the TMA Module and the Commercial Companies Law.

AUB Shareholders and/or potential investors of AUB should note that the Offer is subject to the satisfaction or, with the exception of Conditions Precedent (a) and (d), waiver (where applicable) of the Conditions Precedent and conditional upon, the Offer becoming or being declared unconditional in all respects. Accordingly, the Offer may or may not become unconditional. AUB 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.

OFFER PERIOD AND ACCEPTANCE PROCEDURES

The Offer will be open for acceptance from 26 March 2020 to the Initial Offer Closing Date, being 15 April 2020 (as at the date of this announcement and subject to extension). The results of the Offer, as to Requisite Acceptances, will be communicated to the AUB Shareholders on the Initial Offer Closing Date. An acceptor will be entitled to withdraw his acceptance after 14 days from the Initial Offer Closing Date, if the Offer has not become unconditional as to Requisite Acceptances by that date.

AUB Shareholders willing to accept the Offer are required to tender all of their AUB Shares and may not tender only a part of their AUB Shares. AUB Shareholders may potentially be holding the AUB Shares in one, or a combination, of the following forms:

- AUB Shares in Demat form held in a brokerage account with a registered broker in BB;
- AUB Shares in Demat form held in BC or KCC; and/or
- AUB Shares in physical form with an original share certificate only.

If the Requisite Acceptances are received, AUB Shareholders who did not accept the Offer before the Initial Offer Closing Date can, if they wish, accept the Offer, as per the process defined in paragraph 9 of Part IV of this Circular, up until the Final Offer Closing Date.

Please refer to sections 5.8 and 6 of the Offer Document for further details.

Once all the Conditions Precedent have been fulfilled or waived (where applicable) and the Offer becomes unconditional in all respects, during or at the end of the Final Offer Closing Date, KFH will arrange to make an announcement to this effect in two newspapers in the Kingdom of Bahrain and the websites of the BB, BK, AUB and KFH.

ISSUANCE OF NEW KFH SHARES AND SETTLEMENT OF THE OFFER

The issuance of the New KFH Shares will be conducted and managed by the KCC and is subject to the CMA processes and approval. The KCC will liaise directly with the BC to create a shared electronic platform in order to enable the production of an AUB Shareholders register of the shareholders entitled to receive the New KFH Shares, whether in Kuwait or Bahrain, pursuant to the terms and conditions of the Offer.

Two (2) Business Days prior to the Effective Date, in the first instance, the KCC will issue and credit the New KFH Shares in Kuwait, however, the issued New KFH Shares will not be released to the AUB Shareholders until the Effective Date. AUB Shareholders should note that the two (2) Business Days' period reflects the timing required administratively for the transfer of the New KFH Shares with respect to the AUB Shareholders of AUB BB Shares to BB.

On the Effective Date the KCC or BC, as the case may be, will release the New KFH Shares and the AUB Shareholders of AUB BK Shares will receive their New KFH Shares listed and in a tradable format on BK and the AUB Shareholders of AUB BB Shares will receive their New KFH Shares listed and in a tradable format on BB.

AUB Shareholders should note that on the Effective Date, the share register of KFH will be updated to reflect the ownership of both AUB Shareholders of AUB BK Shares and AUB BB Shares. Actual ownership of the New KFH Shares and the attached entitlements will be effected for both AUB Shareholders of AUB BK Shares and AUB BB Shares on the Effective Date.

Allotment notices for each AUB Shareholder will be made available for collection at the KCC for AUB Shareholders of AUB BK Shares and the BC for AUB Shareholders of AUB BB Shares, during normal working hours starting from the Effective Date.

AUB Shareholders should note that the issuance of the New KFH Shares process may be subject to change or update as may be required by the CMA, KCC, CBB, CMSD, BC, BK and/or BB. Full and immediate disclosure will be made to the AUB Shareholders of any changes or updates that may occur after the date of the Offer Document.

THE OPINION OF THE PROFESSIONAL INDEPENDENT ADVISOR

Pursuant to Rule TMA-2.2.1 of the TMA Module, Volume 6 of the CBB Rulebook, our Professional Independent Adviser has provided its advice to the Board of AUB as fully set out in Part VI of the Circular.

RECOMMENDATION FROM THE BOARD TO THE SHAREHOLDERS OF AUB

Taking into consideration KFH's statements made in the Offer Document and the opinion of the Professional Independent Adviser that the KFH Offer is fair and reasonable (as set out in Part VI of the Circular), THE BOARD IS UNANIMOUSLY OF THE OPINION THAT THE KFH OFFER IS FAIR AND REASONABLE. ACCORDINGLY, THE BOARD UNANIMOUSLY RECOMMENDS THAT THE AUB SHAREHOLDERS ACCEPT THE KFH OFFER TO ACQUIRE 100% OF THE ISSUED AND PAID UP ORDINARY SHARES OF AHLI UNITED BANK B.S.C. BY WAY OF A SHARE SWAP AT AN EXCHANGE RATIO OF 1 NEW KFH SHARE FOR EACH 2.325581 AUB SHARES BY COMPLETING THE ACCEPTANCE AND TRANSFER FORM IN ACCORDANCE WITH ITS TERMS.

Detailed Board recommendation letter has been set out in Part V of the Circular.

In case of any doubt, AUB Shareholders are also advised to seek independent professional advice, as deemed appropriate, prior to making any decision.

KEY DATES

Date of the Circular	16 March 2020
Posting Date ¹	16 March 2020
Last Trading Date	22 March 2020 ²
Suspension Date	23 March 2020
Record Date	For shareholders of AUB Shares held on BB, 24 March 2020. For shareholders of AUB Shares held on BK, 25 March 2020.
Offer Opening Date	26 March 2020
Initial Offer Closing Date	15 April 2020 (subject to extension)
Offer Acceptance/ Rejection Announcement Date ³	15 April 2020
Last day for the Offer to become or declared unconditional as to acceptances	24 April 2020
Right of accepting AUB Shareholders to withdraw their Acceptances arises unless the Offer has become unconditional as to Requisite Acceptances	29 April 2020
AUB EGM	07 May 2020 ⁴
Final Offer Closing Date	12 May 2020
Offer to be declared unconditional in all respects ⁵	Expected to be 12 May 2020 ⁵
Release of New KFH Shares to AUB Shareholders ⁷	Effective Date
Effective Date ⁸	Expected to be 18 May 2020

- The Acceptance and Transfer Form will only be dispatched to AUB Shareholders holding AUB BB Shares. AUB Shareholders holding AUB BK Shares will complete the Acceptance and Transfer Form at the offices of the Kuwait Receiving Agent as per the process detailed in paragraph 9.2 of Part IV of the Circular.
- If an official public holiday is declared in Kuwait, then the date in Kuwait shall be 19 March 2020.
- If the Requisite Acceptances are received, AUB Shareholders who did not accept the Offer prior to the Initial Offer Closing Date can, if they wish to, accept the Offer, as per the process defined in paragraph 9 of Part IV of the Circular, till Final Offer Closing Date.
- Subject to exemption from CBB on rule 2.14.5 of the TMA Module.
- AUB Shareholders should note that the Offer will not be open for further Acceptances once it is declared unconditional in all respects.
- Subject to the satisfaction of all Conditions Precedent.
- 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.
- Subject to the Conditions Precedent of the Offer having been satisfied and all regulatory approvals having been obtained.

KEY PARTIES

The Offeree

Ahli United Bank B.S.C.
Building 2495, Road 2832,
Al Seef District 428, P.O. Box 2424,
Kingdom of Bahrain

The Offeror

Kuwait Finance House K.S.C.P.
PO Box 24989, Safat 13110
Kuwait

Professional Independent Adviser to the Board of AUB

Citigroup Global Markets Limited
Unit Office-1, Level 7, Gate Precinct Building 2,
Dubai International Financial Centre,
P.O. Box 506560, Dubai,
United Arab Emirates

Lead International Legal Advisor to the Offeree Linklaters LLP

9th Floor, Currency House,
Dubai International Financial Centre,
P.O. Box 506516, Dubai,
United Arab Emirates

Legal Advisor to the Offeree for Bahraini and Kuwait Law ASAR - Al Ruwayeh & Partners

11th Floor, Al Rossais Tower,
Building No. 283, Road No. 1704,
Diplomatic Area 317
P.O. Box 20517, Manama,
Kingdom of Bahrain

Issue Advisor to the Offeree

KPMG Fakhro WLL
12th Floor, Fakhro Tower
P.O. Box 710, Manama
Kingdom of Bahrain

Bahrain Receiving Agent, Bahrain Execution Advisor and Cross Listing Advisor to the Offeror

SICO B.S.C.(c) - Receiving desk at the BB
4th floor, Harbour Gate,
Bahrain Financial Harbour,
Manama, Kingdom of Bahrain

Bahrain Receiving Agent Bahrain Clear B.S.C.(c) ("BC")

4th floor, Harbour Gate,
Bahrain Financial Harbour,
Manama, Kingdom of Bahrain

Kuwait Receiving Agent Kuwait Clearing Company K.S.C. ("KCC")

Ahmad Tower - 5th Floor,
Sharq, Kuwait City, Kuwait

البنك الأهلي المتحد



ahli united bank

BAHRAIN

KUWAIT

UAE

UNITED KINGDOM

EGYPT

IRAQ

OMAN

LIBYA