



**GFH FINANCIAL GROUP B.S.C.**  
(Incorporated in the Kingdom of Bahrain)  
Commercial Registration Number 44136

## **Pre-Conditional Voluntary Offer Announcement**

**ANNOUNCEMENT OF GFH FINANCIAL GROUP B.S.C.'S ("GFH") VOLUNTARY PRE-CONDITIONAL OFFER TO ACQUIRE UP TO 100% OF THE ISSUED AND PAID-UP ORDINARY SHARES OF KHALEEJI COMMERCIAL BANK B.S.C ("KHCB"), REPRESENTING UP TO 187,589,034 ORDINARY SHARES OF KHCB (CONSTITUTING VOTING RIGHTS), NOT CURRENTLY OWNED BY GFH, REPRESENTING UP TO 21.03% STAKE OF KHCB'S ISSUED AND PAID-UP SHARE CAPITAL., BY WAY OF SHARES EXCHANGE AT THE DISCRETION OF EACH SHAREHOLDER OF KHALEEJI COMMERCIAL BANK B.S.C.**

### **DISCLAIMER STATEMENT**

THE CENTRAL BANK OF BAHRAIN AND BAHRAIN BOURSE ASSUME NO RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER 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 GFH FINANCIAL GROUP B.S.C.

### **DIRECTORS' STATEMENT**

THE DIRECTORS OF GFH FINANCIAL GROUP B.S.C. ISSUING THIS ANNOUNCEMENT OF POSSIBLE OFFER, WHOSE NAMES APPEAR IN THIS DOCUMENT 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 NOTIFICATION IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THIS NOTIFICATION.

### **IMPORTANT NOTE:**

This announcement does not constitute as a firm intention to make an offer and the Offeror intends to make an offer as soon as practicable after the Pre-Conditions set out herein are satisfied or waived, if applicable. Accordingly, all references to the offer in this Announcement refer to the possible offer which will only be made if and when the Pre-Conditions described herein are satisfied or waived, if applicable, after which the Offeror will announce the firm intention to make the Offer.

The Offer Document will be dispatched by or on behalf of the Offeror within 21 days from the date of the announcement of the terms of the offer through the firm intention announcement, if any. However, if the Pre-Conditions are not satisfied or waived by the Offeror (as the case may be) on or before 21 October 2021 or such other date as the Offeror may determine in consultation with the Central Bank of Bahrain ("CBB"), the Offer will not be made and the Offeror will issue an announcement confirming that fact as soon as reasonably practicable.

**Identity of the Offeror making the statement of possible Offer**

GFH Financial Group B.S.C.  
Bahrain Financial Harbour, East Tower, 29th Floor  
Road 4626, Block 346 Manama, Sea Front  
P.O. Box 10006  
Manama, Kingdom of Bahrain

Tel: (973) 1753 8538  
Fax: (973) 1754 0006

GFH is registered with the Ministry of Industry, Commerce and Tourism ("**MOICT**") with commercial registration number 44136 as a public Bahraini shareholding company. It is licensed and regulated by the CBB as an Islamic wholesale bank. GFH has an issued and paid-up capital of USD 1,000,637,366.96 made up of 3,775,990,064 shares of USD 0.265 each. Its securities are listed on the Bahrain Bourse, Boursa Kuwait and Dubai Financial Market.

**Shareholders of the Offeror**

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

<b>Name of Shareholder</b>	<b>Holding</b>
Shuaa Capital and its associates	7.54%
Keypoint Trust B.S.C(c)	7.86%

**Board of Directors and Management of Offeror**

GFH's Board of Directors currently comprises nine (9) board members, as follows:

<b>Board of Directors</b>	<b>Title</b>
Mr. Jassim Alseddiqi	Chairman, Non-Executive Director
Mr, Ghazi Al Hajeri	Vice Chairman, Independent Director
Mr. Hisham Alrayes	Member and Group CEO, Executive Director
Mr. Rashid Al Kaabi	Member, Non-Executive Director
Mr. Ahmed Al Ahmadi	Member, Independent Director
Mr. Ali Murad	Member, Independent Director
Mr. Fawaz Al Tamimi	Member, Independent Director
Ms. Alia Al Falasi	Member, Independent Director
Mr. Edris Al-Rafi	Member, Independent Director

Mr. Jassim Alseddiqi, Mr. Hisham Alrayes, Mr. Salah Sharif and Mr. Mosobah Al Mutairy present GFH on KHCB's Board of Directors.

Further information in relation to cross-holdings is set out below.

The current management team of GFH is:

<b>Management Personnel</b>	<b>Title</b>
Mr. Hisham Alrayes	Chief Executive Officer
Mr. Salah Sharif	Chief Operating Officer
Mr. Baha Al-Marzooq	Chief Internal Audit
Mr. Hammad Younas	Chief Investment Officer – Private Equity
Mr. Nael AlKujok	Co-Chief Investment Officer – Real Estate
Mr. Abesh Chatterjee	Head of Risk Management
Dr. Mohammed Abdulsalam	Head of Sharia and Corporate Secretary
Mr. Suryanarayanan Hariharan	Chief Financial Officer
Mr. Mohammed Abdulmalik	Group Co-IPT Head
Mr. Razi Almerbati	CEO GFH Capital S.A. – Group Co-IPT Head
Ms. Muneera Isa	Head of Human Resources
Mr. Ahmed Jamsheer	Head of Treasury & Capital Markets
Mr. Osama Janahi	Head of Information Technology
Ms. Mariam Jowhary	Head of Compliance and AML
Mr. Salem Patel	Head of Asset Management
Mr. Hamza Saleem	Acting Head of Legal

**Identity of the Offeree Company**

Khaleeji Commercial Bank B.S.C.  
Bahrain Financial Harbour, East Tower  
PO Box 60002  
Manama  
Kingdom of Bahrain  
Tel: (973) 1754 0054  
Fax: (973) 1710 0017

KHCB is registered with the MOICT with commercial registration number 55133 as a public Bahraini shareholding company. KHCB has an issued and paid-up capital of BHD 89,211,948 made up of 892,119,480 shares of 100 fils each. It is licensed and regulated by the CBB as an Islamic retail bank. Its securities are listed on the Bahrain Bourse.

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

Up to 187,589,034 ordinary shares of KHCB (constituting voting rights), not currently owned by GFH, of BHD 100 fils each, representing up to 21.03% stake of KHCB's issued and paid up share capital ("**KHCB Shares**").

**Consideration for the Transaction**

The consideration for the offer is shares in the Offeror at a share exchange ratio of 0.914 GFH shares per KHCB Share.

The offer price was determined by GFH based on its assessment of KHCB's financial information available to public and its financial performance.

**Mechanism**

It is envisaged that the offer will be implemented by way of a voluntary conditional offer to the shareholders of KHCB by GFH in line with the provisions of the CBB Rulebook, Volume 6, Takeovers, Mergers and Acquisitions Module ("TMA").

In the event that GFH obtains 90% acceptances of the outstanding KHCB Shares subject to the voluntary conditional offer, GFH intends to exercise any rights of compulsory acquisition, which may become available to it. The remaining shareholders, who have not accepted the acquisition offer, shall be obliged to sell their shares to GFH in no later than three months from the date of GFH having obtained 90% or more acceptances in respect of the acquisition of the KHCB Shares as per the Commercial Companies Law (Legislative Decree No. 21 of 2001, as amended), subject to regulatory approval.

**Offer sources**

The share exchange element of the offer will be settled through treasury shares of up to 171,416,377 shares of GFH.

**Pre-Conditions to which the making of the offer is subject**

If and when the Pre-Conditions listed below are satisfied or waived, GFH will announce the firm intention to make the offer. However, if the Pre-Conditions are not satisfied or waived by the Offeror (as the case may be) on or before 21 October 2021 or such other date as the Offeror may determine in consultation with the CBB, the offer will not be made and GFH will issue an announcement confirming that fact as soon as reasonably practicable.

The making of the offer will be subject to the fulfilment, or waiver by GFH where applicable, of the following pre-conditions to the offer:

1. Approval of the majority of shareholders of GFH at the ordinary general meeting on the purchase and use of GFH treasury shares for the purpose of the offer.
2. Receipt of all regulatory and statutory approvals in connection with the above.

Shareholders and/or potential investors of KHCB should note that there is no certainty that the Pre-Conditions will be satisfied and/or waived. Accordingly, the offer may or may not be made. Shareholders and/or potential investors of KHCB should therefore exercise caution when dealing in the securities of KHCB. 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.

**Offeror's intention for the future of the Company**

GFH intends to maintain KHCB's commercial registration and vocation as an Islamic retail bank. KHCB will continue to operate under its normal course of business and maintain its operations as a subsidiary of GFH.

On completion of the acquisition:

- A. If GFH obtains of the 90% or more of the acceptances of the outstanding KHCB Shares subject to the voluntary conditional offer by GFH, and consequently exercise its right of compulsory acquisition, KHCB will apply to the CBB to delist from the Bahrain Bourse in compliance with the rules of the TMA; and

- B. If GFH obtains less than 90% acceptances of the outstanding KHCB Shares subject to voluntary conditional offer, KHCB's shares may be subject to voluntary delisting from the Bahrain Bourse subject to the approval of the CBB, Bahrain Bourse, KHCB's Board and the general meeting of the shareholders of KHCB.

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

GFH (acting in concert together with its subsidiary, KHCB Asset Company) holds 616,057,287 KHCB Shares representing 69.06% of the issued share capital of KHCB.

In the past 12 months, GFH acquired 121,726,795 KHCB Shares representing 13.64% of KHCB Shares. KHCB Asset Company has pledged 336,134,454 KHCB shares to Sharjah Islamic Bank PJSC.

**Details of any relevant securities of KHCB in which GFH or any person acting in concert with it has an interest or has a right to subscribe.**

Save as disclosed below, none of the Directors of GFH have any direct or deemed interest in the KHCB Shares as of the date of this firm intention:

Name of Shareholder	Number of Shares	Relevant GFH Director
GFH	121,726,795	Jassim Alseddiqi Hisham Alrayes
KHCB Asset Company	494,330,492	Jassim Alseddiqi Hisham Alrayes

GFH holds BD 60 million Additional Tier 1 Sukuk issued by KHCB, as of the date of this notice.

For or on behalf of GFH Financial Group B.S.C.



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Mr, Ghazi Al Hajeri  
Vice Chairman