

**FIMBANK**

## COMPANY ANNOUNCEMENT

The following is a Company Announcement by FIMBank p.l.c. (or the “**Bank**”) pursuant to the Malta Financial Services Authority Listing Rules and the Prevention of Financial Markets Abuse Act and Regulations:

### *Quote*

This Company Announcement follows from what was announced on 13 March 2012 under Company Announcement FIM156 and on 9 October 2012 under Company Announcement FIM166.

### **Offer by Burgan Bank S.A.K. and United Gulf Bank B.S.C.**

FIMBank p.l.c. announces that it has received a joint offer (the “**Offer**”) by Burgan Bank S.A.K. and United Gulf Bank B.S.C..

Burgan Bank S.A.K. is licensed by the Central Bank of Kuwait and is formed under the laws of Kuwait (“**Burgan**”). United Gulf Bank B.S.C. is licensed as a conventional wholesale bank by the Central Bank of Bahrain and is formed under the laws of Bahrain (“**UGB**”). Both Burgan and UGB form part of the Kuwait Projects Company (“**KIPCO**”) Group, which has diverse and significant investments in the Middle East and North Africa regions (*please refer to ‘Notes to Editors’ below for more information on Burgan, UGB and KIPCO*).

The Offer provides for a comprehensive approach culminating in a rights issue to increase the Bank’s capital and in Burgan and UGB potentially acquiring a controlling interest in the Bank.

Initially, Burgan and UGB will acquire an aggregate of 37.56% of the Bank’s capital through a combination of debt-to-asset swap as well as an outright acquisition, both with Massaleh Investments K.S.C.C..

Concurrently, UGB will provide a loan of USD 60 million to the Bank which may, at UGB’s option, be converted into newly issued listed shares of the Bank. The convertible loan is divided into two equal tranches, the first of which will be convertible at a price of USD 0.83 per share and the second tranche will be convertible at a price equivalent to the book value of the ordinary shares of the Bank, based on the latest published audited financial statements before such conversion, which conversion price shall however be capped at USD 0.90 per share. UGB is also expected to launch a bid to all the shareholders of the Bank for all of their shares as part of the process.

At the end of this multi-step approach the Bank will launch a rights issue to raise a minimum of USD 100 million on terms that would eventually have to be determined and announced by the Bank. In terms of the Offer each of UGB and Burgan has undertaken to subscribe in full to all the new ordinary shares to which it will be entitled under the said rights issue.

### **FIMBank p.l.c.**

Mercury Tower

The Exchange Financial & Business Centre

Elia Zammit Street

St. Julian’s STJ 3155

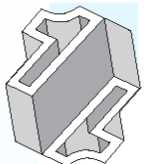
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Company Registration Number: C 17003

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The Offer stipulates that UGB and Burgan shall not require or implement any material changes to the Bank's current business model as a trade finance specialist while the Bank shall not issue any new shares, except for current Executive Share Options, that may dilute UGB's or Burgan's proposed shareholding.

The Offer is subject to satisfaction of a number of conditions including that all necessary regulatory and corporate approvals are obtained, including in Malta, Bahrain, and Kuwait.

The Board of Directors of FIMBank p.l.c. met on 21 November 2012 to consider this Offer (the "**Board Meeting**"). After having considered this Offer, the Board of Directors has resolved to recommend that certain issues relating to the Offer be presented to an Extraordinary General Meeting of the shareholders of the Bank for their consideration.

### **Extraordinary General Meeting**

FIMBank p.l.c. announces that pursuant to the Offer and the Board Meeting, it shall be convening an Extraordinary General Meeting (or "**Meeting**") on 31 January 2013 for the purpose of considering certain issues pertaining to the Offer. Further information relating to the Meeting will be announced at a later date and published in the Investor Relations section of the Bank's website at [www.fimbank.com](http://www.fimbank.com).

In terms of the provisions of Listing Rule 12.14, *et seq.* a shareholder or shareholders holding not less than 5% of the voting issued share capital of the Bank may:

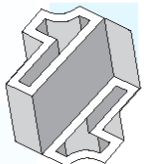
- i. request the Bank to include items on the agenda of the Meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the same Meeting; and
- ii. table draft resolutions for items included in the agenda of the Meeting.

The request to put items on the agenda of the Meeting or the draft resolution shall be submitted to the Bank in hard copy form or electronic form to [csec@fimbank.com](mailto:csec@fimbank.com) by 17:00 hours of 17 December 2012 and shall be authenticated by the person or persons making it. The Bank shall not be obliged to entertain any requests by shareholders received after 17 December 2012.

*Unquote*

**M Cassar**  
Company Secretary

22 November 2012



# FIMBANK

## Notes to Editors\*:

1. Burgan Bank S.A.K. ("**Burgan**") was established in 1977 and is the youngest commercial bank based in Kuwait with a significant focus on the corporate and financial institutions sectors, as well as having a growing retail and private bank customer base. Burgan Bank has four majority owned subsidiaries: Gulf Bank Algeria - AGB (Algeria), Bank of Baghdad - BOB (Iraq), Jordan Kuwait Bank - JKB (Jordan) and Tunis International Bank – TIB (Tunisia) and is a subsidiary of KIPCO. Burgan Bank has continuously improved its performance over the years through an expanded revenue structure, diversified funding sources, and a strong capital base. The adoption of state-of-the-art services and technology has positioned it as a trendsetter in the domestic market and within the MENA region.
2. United Gulf Bank B.S.C. ("**UGB**"), the merchant banking subsidiary of the KIPCO Group, manages a regional network of investment banking and asset management companies. Its proprietary investments include assets in real estate, private equity, structured products and quoted securities. As of 30 September 2012 assets under management exceeded USD 8.0 billion (31 December 2011: USD 7 billion).
3. The Kuwait Projects Company ("**KIPCO**") Group is one of the largest diversified holding companies in the Middle East and North Africa with significant ownership interests in a portfolio of over 60 companies operating across 26 countries. KIPCO's main business sectors are financial services and media. Through the subsidiaries and affiliates of its core companies, KIPCO also has interests in the real estate, industrial, education and the management and advisory sectors. KIPCO's financial services interests include holdings in commercial and investment banking, asset management and insurance companies. The Group's core operating companies in this sector include Burgan Bank, United Gulf Bank and Gulf Insurance Company. In the media sector, the Group has a presence through the Orbit Showtime Network, the leading pay-TV operator in the region.

22 November 2012

\* Source: *Burgan Bank S.A.K. and United Gulf Bank B.S.C.*

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