

Disclosure of Material Information

To: Bahrain Bourse

Arab Banking Corporation B.S.C would like to announce the following material information:

الإفصاح عن معلومات جوهرية

السادة / بورصة البحرين

تعلن شركة المؤسسة العربية المصرفية ش.م.ب عن الإفصاح عن معلومات جوهرية المبين تفاصيلها أدناه:

Date	11 August 2021	التاريخ
Company Name	Arab Banking Corporation B.S.C	اسم الشركة
Trading Code	ABC	رمز التداول
Subject	Bank ABC expands presence in Egyptian market by closing the acquisition of BLOM Bank Egypt	الموضوع
Material Information	<ul style="list-style-type: none">Effective 11 August, Bank ABC has completed the acquisition of BLOM Bank Egypt, following a successful mandatory tender offer and securing all necessary regulatory approvalsThe acquisition will more than triple Bank ABC's market share in Egypt and create a new platform to turbocharge growth in this core MENA marketBank ABC is set to more than double its branches in Egypt, diversify service offerings for wholesale, retail, SME, and corporate customers, and offer an unparalleled digital banking experience <p>Manama, Bahrain, Arab Banking Corporation (B.S.C.) ("Bank ABC") today announced the completion of its acquisition of a 99.5% stake in BLOM Bank Egypt S.A.E. ("BLOM Bank Egypt"), significantly enhancing Bank ABC's presence in the MENA region, and deepening its roots in the Egyptian market. This announcement</p>	المعلومات الجوهرية

	<p>follows the successful completion of the Mandatory Tender Offer (“MTO”), share transfers and the release of the purchase price of \$425m to BLOM Bank S.A.L. (“BLOM Bank Lebanon”) and the minority shareholders that tendered their shares in the MTO. This represents a multiple of 1.37x based on BLOM Bank Egypt’s book value as of March 2021.</p> <p>Leveraging Bank ABC’s more than 20 years of experience in Egypt and BLOM Bank Egypt’s strong reputation and market presence, Bank ABC aims to expand growth opportunities and strategically increase offerings available for wholesale, corporate, and retail customers alike. Bank ABC Egypt and BLOM Bank Egypt will continue operating as separate entities until the legal merger is completed, which is subject to regulatory approval and expected to conclude in Q1 2022.</p> <p>The combined entity would more than triple Bank ABC’s market share and take its balance sheet to approximately EGP 60bn on a combined basis. Customers are set to experience expanded service offerings, access to an additional 41 branches (more than doubling Bank ABC Egypt’s current branches), and a range of digital banking services, leveraging Bank ABC’s innovative digital capabilities such as its mobile only digital bank ila, and its leading payments capabilities in its subsidiary, Arab Financial Services.</p> <p>With a track record of performance in 15 markets across 5 continents, Bank ABC’s robust financial balance sheet would provide the combined entity with the required scale and support to reach a larger customer base, ensure superior asset quality and execute higher international financial transactions with a strong foothold across the MENA region. This latest development in Bank ABC’s operations will enhance its ability to deliver in the region and open a gateway to and from Egypt for Bank ABC’s customers.</p> <p>Bank ABC Group Chief Executive Officer, Dr. Khaled Kawan, commented: “The acquisition of BLOM Bank Egypt is a landmark moment for Bank ABC. We have been searching for the right opportunity for many years—seeking an acquisition that further cements our reputation as MENA’s leading international bank. This</p>	
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	<p>acquisition is a strategic fit for both banks, combining BLOM Bank Egypt’s strong market presence and heritage with Bank ABC’s track record of innovation. We expect the acquisition to unlock considerable synergies and growth potential, allowing maximisation of value across all our stakeholders. We would like to thank our advisors; HSBC, Freshfields Bruckhaus Deringer and Zulficar & Partners for their commitment and dynamism throughout the entire transaction process.”</p> <p>Mr. Saad Azhari, Chairman and General Manager of BLOM Bank Lebanon, commented: “BLOM Bank Egypt has delivered strong returns for our Group, and we are confident that it will continue this legacy of success as a part of Bank ABC Group. We wish the BLOM Bank Egypt team a great future in their new home. We would also like to extend a note of gratitude to CI Capital, our exclusive financial advisor, and Baker McKenzie, our legal advisor, for their exemplary work throughout this transaction.”</p> <p>HSBC Bank Middle East is acting as the sole financial advisor to Bank ABC, with Freshfields Bruckhaus Deringer and Zulficar & Partners acting as legal advisors. CI Capital acted as the exclusive financial advisor to BLOM Bank Lebanon, while Baker McKenzie acted as legal counsel.</p> <p>About Bank ABC: Headquartered in Bahrain, Bank ABC is one of the leading financial institutions domiciled in the Middle East. It has a strong and established global presence across 15 countries in the Middle East, Europe, North America, Latin America, and Asia offering a full range of products and services covering wholesale banking (lending (conventional and Islamic), transaction banking, specialized finance, real estate financing), retail banking, and treasury & financial markets. Bank ABC is currently present in Egypt where it offers retail, wholesale banking, treasury & financial markets and investment banking services through 27 branches across the country.</p> <p>About Blom Bank Egypt: BLOM Bank Egypt is an Egyptian bank that was established in</p>	
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	1977. Through its 41 branches, BLOM Bank Egypt offers a wide range of commercial banking services including corporate / SME banking, retail banking, treasury services and brokerage & investment services through its associate companies.	
Impact on Financial Position	None at this stage.	الأثر على المركز المالي
Previous relevant disclosures (if any)	<ul style="list-style-type: none"> Bank ABC confirms that the FRA approval on the MTO was received on 18th July 2021, disclosed to the Bahrain Bourse on 18th July 2021. Bank ABC enters agreement to acquire Blom Bank Egypt disclosed to the Bahrain Bourse on 17 January 2021; 	إفصاحات سابقة ذات صلة (إن وُجدت)

Name	Nader Abdulaal	الاسم
Title	Digital Communications Manager	المسمى الوظيفي
Company Seal ختم الشركة		Signature التوقيع
		