

BBK and Ithmaar Holding sign acquisition plans MoU

MANAMA, BAHRAIN – 14 September 2020 – The Bank of Bahrain and Kuwait (BBK), one of the largest commercial banks in Bahrain, and Ithmaar Holding, the parent of Ithmaar Bank, which operates the largest Islamic retail banking network in Bahrain, signed today (ed note: 14/09/20) a Memorandum of Understanding (MoU) on the potential acquisition by BBK of Ithmaar Bank's Bahrain operations as well as specific assets of IB Capital, a wholly-owned subsidiary of Ithmaar Holding.

The MoU, which was signed by BBK Chief Executive Officer, Dr. AbdulRahman Ali Saif, and Ithmaar Holding Chief Executive Officer, Ahmed Abdul Rahim, who is also the Ithmaar Bank Chief Executive Officer, builds on the joint BBK-Ithmaar Holding statement made on 26 August 2020 announcing initial talks regarding the potential acquisition.

The plans, which are subject to shareholder and regulatory approvals, are still in the discussions phase and subject to the completion of due diligence by both parties.

When implemented, the plans will significantly expand BBK's already large operations in Bahrain and add a turn-key, full-service Islamic banking solution, while also bolstering the already well established Ithmaar Bank brand and position it to better capitalize on opportunities for growth. The plans are in line with Ithmaar Holding's strategy of creating value for its shareholders.

Details of the plans will be announced in due course, following necessary approvals.

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About Ithmaar Holding:

Ithmaar Holding B.S.C. ("Ithmaar Holding or Ithmaar") is licensed as an investment firm and regulated by the Central Bank of Bahrain (CBB) and is listed on the Bahrain Bourse and Dubai Financial Market.

Ithmaar Holding owns two wholly-owned subsidiaries Ithmaar Bank B.S.C (closed) (Ithmaar Bank), an Islamic retail bank subsidiary which holds the core retail banking business, and IB Capital B.S.C. (closed) (IB Capital), an investment firm subsidiary, which holds investments and other non-core assets. The two subsidiaries are licensed and regulated by the CBB.

Ithmaar Bank provides a diverse range of Sharia-compliant products and services that cater to the financing and investment needs of individuals and institutions. Ithmaar also maintains a presence in overseas markets through its subsidiary, Faysal Bank Limited (Pakistan) and locally through Dilmunia Development Fund I L.P.

IB Capital maintains a presence in regional and overseas markets through its investments including in associated companies. These include Bahrain-based BBK, Ithmaar Development

Company Limited, Solidarity (an Islamic insurance company), Naseej and Ithraa Capital (Saudi Arabia).