

Bank of Bahrain and Kuwait and Ithmaar Holding to discuss acquisition plans

MANAMA, BAHRAIN – 26 August 2020 – 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, have entered into initial talks with regards to exploring a potential acquisition by BBK of Bahrain operations of Ithmaar Bank. The acquisition also includes specific assets of IB Capital, a wholly-owned subsidiary of Ithmaar Holding.

The plans, which are subject to shareholder and regulatory approvals, are still in the preliminary 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.

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

The chairmen of both institutions issued a statement welcoming the announcement:

“BBK has long played a key leadership role in the Kingdom of Bahrain’s banking and financial services industry,” said BBK Chairman Murad Ali Murad. “To maintain this leadership role, and as part of its ongoing business expansion strategy, BBK has been exploring opportunities to expand its activities and diversify its offerings, particularly in Sharia-compliant banking businesses. Ithmaar Bank seems a natural fit, and we look forward to exploring this possible acquisition further,” he said.

“Ithmaar Bank, an Islamic retail bank, played a pioneering role in the establishment and subsequent development of Islamic banking in the region,” said Ithmaar Holding Chairman, His Royal Highness Prince Amr Al Faisal. “A wholly-owned subsidiary of Ithmaar Holding, Ithmaar Bank is a growing, resilient bank that continues to invest in the future and plays a key role in the community. This transaction is in line with Ithmaar Holding’s strategy of creating value for its shareholders, and we look forward to exploring this possible opportunity further,” he said.

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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, Dubai Financial Market and Boursa Kuwait.

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).