



SUCCESS OF NATIONAL BANK OF BAHRAIN B.S.C.'s OFFER TO ACQUIRE UP TO 100% OF THE ISSUED AND PAID UP ORDINARY SHARES OF BAHRAIN ISLAMIC BANK B.S.C.

- NBB's offer for BisB closed successfully on 15th January 2020
- NBB's total shareholding of BisB to reach 78.8% on the Settlement Date
- This successfully concludes a significant consolidation in the Bahraini banking sector
- The broadened group will be ideally positioned in both conventional and Islamic banking

Manama – 18 January, 2020 – NBB announced the results of its Offer to acquire up to 100% of the paid up ordinary shares of BisB. Acceptances were received in respect of 529,424,282 ordinary shares of BisB which, on completion of settlement, will result in NBB owning a controlling stake of 78.8% of BisB, up from its 29.06 % pre-transaction stake. 93.55% of the acceptances were from institutional shareholders of BisB and the remaining 6.45% were from individual shareholders. 94.95% of all acceptances opted for the cash offer of BHD 0.117 per BisB share, while the remaining 5.05% opted to swap their BisB shares with newly issued shares of NBB at a share exchange ratio of 0.167 NBB shares per BisB share.

The Offer which initially opened on 18 December 2019 was launched by NBB as part of its efforts to develop further its Islamic Banking activities and to offer to its client base a full range of banking services both conventional and Islamic

The transaction is expected to strengthen both the NBB and BisB brands, which will continue to operate as two independent banks, in the local and regional markets. It is also expected to result in asset, revenue, cost, operational and other synergies that are expected to enhance returns.

Speaking of this transaction, Mr. Farouk Yousuf Khalil AlMoayyed, Chairman of NBB, said, 'NBB has always been keen on diversifying its offering portfolio and developing its capabilities to capture business opportunities locally and regionally. This decision was a result of our strategic vision for the business and reinforcing our group's presence in the Islamic Banking market. BisB has played a pivotal role in the development of the Islamic Banking sector in the Kingdom of Bahrain and following continuous screening opportunities we chose what we believe would strengthen our position in the industry. Increasing our shareholding in BisB will allow us to become more effective in certain markets, especially where Sharia-compliant businesses play a vital role in.'

Further commenting on the acquisition, Jean-Christophe Durand, CEO of NBB, said, "We are very pleased with the success of our Offer. It gives us significant control of BisB and will allow us to implement our strategic vision for a more integrated banking group. We expect the

acquisition of BisB to generate significant synergies, improved efficiencies and contribute to profitability. While the two banks will remain independent, I look forward to working with the teams of both banks on the successful implementation of synergies in full respect of the culture of the two institutions.”

Settlement of the offer is expected to take place on 22 January 2020. Participating BisB shareholders who opted for the cash offer shall be paid either by wire transfer to the account designated on their acceptance forms or by cheque which will be available for collection from 22 January 2020 from NBB’s head office. Shareholders of BisB accepting the share exchange offer can collect their NBB share exchange allotment notices from the offices of Bahrain Clear from 22 January 2020.

BisB will continue to operate under its normal course of business and maintain its operations as a subsidiary of NBB. BisB will continue to be listed on Bahrain Bourse subject to any compulsory acquisition and delisting regulations which may apply. BisB will recommence trading on 23 January 2020.

All BisB shareholders who did not participate in the Offer will remain as shareholders of BisB with their shareholding unchanged as a result of the Offer.

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About National Bank of Bahrain B.S.C

National Bank of Bahrain B.S.C. (“NBB”), was established in 1957 as Bahrain’s first locally owned bank, incorporated under the laws and regulations of the Kingdom of Bahrain. NBB has grown steadily to become the Kingdom’s leading provider of retail and commercial banking services. With a major share of the total domestic and commercial banking market and the largest network of branches and ATMs, NBB plays a key role in Bahrain’s economy. NBB continues to diversify and develop capabilities to capture business opportunities in the Gulf Region and international markets with the Abu Dhabi and Riyadh branch leading the way in this initiative. NBB is listed publicly on the Bahrain Bourse.