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Executive Vice President - COO, Head of Operations Division
Dubai Financial Market
PO Box 9700
Dubai, United Arab Emirates

Subject: Ithmaar Bank and Eazy Financial Services announce plans to launch the region's first biometric payment network

With reference to the above-mentioned subject, we inform you that Ithmaar bank B.S.C. (c) a subsidiary of Ithmaar Holding B.S.C. has published the attached press release.

Yours sincerely,

Saqib Mustafa
Authorized signatory

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Ithmaar Bank and Eazy Financial Services announce plans to launch the region's first biometric payment network, and it will bring a revolutionary improvement in customers' experience with banks

The Bahraini-created solution will provide consumers with a safer, more convenient and more secure way to bank

Bahrain, 17th September 2018: Ithmaar Bank and Eazy Financial Services today announced plans to launch the region's first biometric payment network, supported by the Labour Fund "Tamkeen", providing new and more efficient alternative for customers to conduct many of their financial transactions.

When implemented, Ithmaar Bank customers will no longer be required to use their bank cards at ATMs. Instead, they will simply be able to use their fingerprint along with their PIN to process financial transactions. This provides a simpler, more secure way to process financial transactions than ever before. In future, this may also include points of sale.

Bahrain Economic Development Board (EDB) Chief Executive, Khalid Al Rumaihi, commented: "With this announcement Ithmaar Bank and Eazy Financial Services are truly showcasing Bahrain as a hub for innovation, specifically in the financial services industry. This partnership comes in line with our strategy to encourage innovation that supports high value job creation in the Kingdom. Bahrain's forward -thinking regulatory approach provides an attractive environment for FinTech – particularly in areas such as Islamic finance and payments. We look forward to welcoming more home-grown initiatives such as this."

Praising the initiative, Tamkeen Chief Executive Dr. Ebrahim Janahi said: "Tamkeen's support for the FinTech industry comes as part of our efforts to support enterprises across stages of development and making the private sector a key driver of economic growth. We believe Ithmaar Bank and Eazy are both well ahead of the curve, and this strategic initiative will result in a major positive change in the Kingdom's economy and capital market."

Central Bank of Bahrain (CBB) Executive Director, Khalid Hamad, said: "This very forward-looking partnership is proof that FinTech initiatives are delivering tangible, real-world results – ahead of similar initiatives across the region - while maintaining the overall safety and soundness of the financial system in Bahrain."

The platform, developed by Eazy Financial Services, is built on a powerful Automated Fingerprint Identification System (AFIS) one of the most reliable and trusted biometric engines which is deployed and implemented in many countries around the world for both civil and forensic applications. Eazy Financial Services adopts a rigorous “Identification Algorithm” which has earned the highest honours by several standards organizations and authorities.

Praising the initiative, Tamkeen CEO Dr. Ebrahim Janahi said: “Tamkeen’s support for the FinTech industry comes as part of our efforts to support enterprises across stages of development and making the private sector a key driver of economic growth. We believe Ithmaar Bank and Eazy are both well ahead of the curve, and this strategic initiative will result in a major positive change in the Kingdom’s economy and capital market.”

Ithmaar Bank CEO, Ahmed Abdul Rahim, said: “As part of our Digital Strategy, we continue to invest heavily in technology that provides our customers a more convenient, simpler and more secure way to conduct their financial transactions. Our customers are tech-savvy and expect friction-less access to banking services - and the introduction of biometrics is another major step that direction. We are leading the financial industry with this new, tangible solution which is a real-time example of how we put innovation and our customers at the forefront of everything we do.”

Eazy Financial Services CEO, Khaled Al Ahli, said: “Payments stand out as the single largest driver for the biometrics market. We are driving biometric verification in the region, which is the future of the financial industry.

“As a local Bahraini start-up, we are extremely proud to bring a regional first solution from Bahrain, in partnership with a renowned local bank. Going forward, biometrics for financial products and services are expected to represent one third of the total market for biometric solutions in 2020,” he continued.

The agreement is a result of the financial support of Tamkeen, with the support of the EDB and CBB, and will see the new Biometric Payment Network available in phases for Ithmaar Bank customers as early as Q1 2019.

- ENDS –

<u>Notes to Editors:</u>

Photo 1 (left to right):
Mr. Yousif Al Khan, Assistant General Manager, Head of Information Technology and Administration; Mr. Abdul Hakeem Al Mutawa, DCEO, Banking Group, Ithmaar Bank; Mr. Fahad Yateem, Director – Islamic Financial Institutions Supervision, Central Bank of Bahrain; Mr. Ahmed Abdul Rahim, CEO, Ithmaar Bank; H.E. Khalid Al Rumaihi, CEO, Economic Development Board Bahrain; Mr. Khaled Al Ahli, CEO, Eazy Financial Service; Mr. Nayef Al Alawi, Vice Chairman, Eazy Financial Services; Dr. Jarmo Kotilaine, Chief Planning and Monitoring Office, Tamkeen.

Photo 1 (left to right):
Mr. Abdul Hakeem Al Mutawa, DCEO, Banking Group, Ithmaar Bank; Mr. Ahmed Abdul Rahim, CEO, Ithmaar Bank; H.E. Khalid Al Rumaihi, CEO, Economic Development Board Bahrain; Mr. Khaled Al Ahli, CEO, Eazy Financial Service; Dr. Jarmo Kotilaine, Chief Planning and Monitoring Office, Tamkeen.

About Ithmaar Bank:

Ithmaar Bank B.S.C. (closed) ("Ithmaar Bank") is a Bahrain-based Islamic retail bank that is licensed and regulated by the Central Bank of Bahrain and provides retail, commercial, treasury & financial institutions and other banking services. Ithmaar Bank is a wholly owned subsidiary of Ithmaar Holding B.S.C. (formerly named Ithmaar Bank B.S.C.) which is listed on the Bahrain Bourse, Bourse Kuwait and Dubai Financial Market. 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).
www.ithmaarbank.com

About Eazy:

Eazy Financial Services B.S.C., is a Bahraini Fintech company Licensed and regulated by the Central Bank of Bahrain focusing on providing biometric technologies and innovative solutions to the financial sector. Eazy Network facilitates transactions based on biometric, an alternative payment technology featuring an integrated fingerprint solution that will act as alternative to the traditional cash and card methods by insuring seamless, secure and convenient financial transactions at the touch of a fingertip, through participating financial institutions.

Eazy preserves the right and intellectual property in the Library of Congress of the United States archived under the US Patent Number TX u 1-972-687, and registered in Lebanon under Berne Convention.

About the Bahrain Economic Development Board:

The Bahrain Economic Development Board (EDB) is an investment promotion agency with overall responsibility for attracting investment into the Kingdom and supporting initiatives that enhance the investment climate.

The EDB works with the government and both current and prospective investors, in order to ensure that Bahrain's investment climate is attractive, to communicate the key strengths, and to identify where opportunities exist for further economic growth through investment.

The EDB focuses on several economic sectors that capitalise on Bahrain's competitive advantages and provide significant investment opportunities. These sectors include financial services, manufacturing, ICT, tourism, logistics and transport. The financial services sector is particularly strong in Bahrain and the EDB works to support the continued growth of the banking industry and key sub-sectors, including Islamic finance.

For more information on the Bahrain EDB visit www.bahrainedb.com; for information about Bahrain visit www.bahrain.com.

About the Central Bank of Bahrain:

The Central Bank of Bahrain (CBB) is a public corporate entity established by the 2006 CBB and Financial Institutions Law. It was created on 6th September 2006.

The CBB is responsible for maintaining monetary and financial stability in the Kingdom of Bahrain. It succeeded the Bahrain Monetary Agency, which had previously carried out central banking and regulatory functions since its establishment in 1973.

The CBB inherits the BMA's 33-year track record and wide range of responsibilities. It implements the Kingdom's monetary and foreign exchange rate policies, manages the government's reserves and debt issuance, issues the national currency and oversees the country's payments and settlement systems. It is also the sole regulator of Bahrain's financial sector, covering the full range of banking, insurance, investment business and capital markets activities.

The CBB's wide scope of responsibilities allows a consistent policy approach to be undertaken across the whole of the Kingdom's financial sector. It also provides a straightforward and efficient regulatory framework for financial services firms operating in Bahrain.

About Tamkeen

Tamkeen is a public authority established in August 2006, tasked with supporting Bahrain's private sector and positioning it as the key driver of economic growth and development. Tamkeen is one of the cornerstones of Bahrain's national reform initiatives and Bahrain's Economic Vision 2030.

Tamkeen has two primary objectives - firstly, foster the development and growth of enterprises, and second provide support to enhance the productivity and training of the national workforce. To achieve these objectives -Tamkeen's 2018-2020 strategy focuses on Diversifying offerings, Accelerate delivery and Sustaining Impact.

A number of innovative programs are provided to Bahraini individuals and businesses across all economic sectors which includes training, financing, grants, advisory, entrepreneurship support and others. These programs help develop the capabilities of Bahraini individuals and enterprises in the Kingdom; it also integrate new critical concepts for a vibrant sustainable private sector.