Al Salam Bank - Bahrain launches the world's first Shari'a-compliant Asian REIT fund

Manama, 3 March 2014: Al Salam Bank-Bahrain

Al Salam Bank – Bahrain (**ASBB**) announced the launch of Al Salam Asia REIT Fund, the world's first Asian REIT fund that invests along Shari'a principles. ASBB, a leading Islamic bank in the Kingdom of Bahrain, will be the sponsor and seed investor for the Fund. The Shari'a-compliant fund will be managed by B&I Capital AG, a pioneer in Asian REIT investments.

The fund's portfolio will consist of 15 to 35 positions, diversified through active country and sub-sector allocation within the Asian REIT asset class. Each position will be equally-weighted, rebalanced and reviewed as part of the risk management process.

A REIT is a listed real estate investment trust that enjoys tax privileges and allows investors to have access to multi-class real estate properties.

Deputy CEO of ASBB, Dr Anwar Khalifa Al Sada said that the goal of the Fund is to give investors a long-term, superior risk-adjusted total return through a combination of high, stable, and growing dividends as well as a significant opportunity for capital appreciation.

"The Fund aims to deliver benefits of diversified real estate ownership in Asia while avoiding many of the pitfalls of holding physical property and real estate developer equities", Dr Al Sada said.

"Historically, REITs have lower volatility, superior returns and low correlation compared to equities and can provide some hedge against inflation", Mr Talal Abdul Aziz Al Mulla, Head of Investment at ASBB said. "The strong demographics and growth potential in Asia have resulted in Asian REITs providing a return of 12% higher than developed country REITs, over the last 10 years. We believe that Al Salam Asia REIT Fund will provide an optimum investment solution for accessing the growing Asian real estate market in a diversified and a Sharia-compliant approach".

The fund manager for Al Salam Asia REIT Fund, B&I Capital, has over 50 years of combined experience covering Asian markets, and can draw on several market cycles of experience. B&I are headquartered in Zurich, with presence in Singapore to support research, fund management and growth.

"We are excited to be able to offer such a unique product to investors and proud to have an innovative partner in ASBB. We believe Asian REIT risk-adjusted returns will continue to be superior to other asset classes. Demographics and growth combined with pro-REIT regulation in many Asian countries will

continue to support the demand for products like this one", Mr Christian Bernasconi, Managing Partner for B&I Capital said.

"We are happy to be involved in this innovative product and see the launch of a Shari'a compliant fund as a natural progression following the launch of Shari'a-compliant REIT listings in Asia", added Mr Charles Isaac, Managing Partner for B&I Capital.

ASBB was an anchor investor into Sabana Industrial REIT, the world's first real estate investment trust adopting Shari'a compliance standards widely accepted in the GCC. Sabana was listed on the Singapore Stock Exchange in 2010.

"The Al Salam Asia REIT Fund is another example of our Bank's dedication to developing innovative products for our clients and commitment to being a pioneer in the Islamic banking space", Dr Al Sada added. "The role of the Central Bank of Bahrain in promoting and facilitating the launch of the Fund has been invaluable, and for this we are grateful."

Ohad Trust, Bahrain B.S.C. is the Fund Custodian and Administrator, and Maples Secretaries the Corporate Secretary. Herbert Smith LLP provided legal advice on the Fund.

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Note to Editors:

Al Salam Bank-Bahrain

Headquartered in the Kingdom of Bahrain, Al Salam Bank-Bahrain (B.S.C.) is a dynamic, diversified and differentiated Islamic bank.

Incorporated on 19 January 2006 in the Kingdom of Bahrain and commenced commercial operations on 17 April 2006, the Bank operates under Shari'a principles in accordance with regulatory requirements for Islamic banks set by the Central Bank of Bahrain.

Al Salam Bank-Bahrain was listed on the Bahrain Bourse on 27 April 2006, and subsequently on the Dubai Financial Market on 26 March 2008.

The Bank's high caliber management team comprises highly qualified and internationally-experienced professionals with proven investment expertise in key areas of banking, finance and related fields; all supported by a world-class Information Technology (IT) infrastructure and the latest 'smart' working environment.

Al Salam Bank-Bahrain adopts internationally recognized standards and best practices in Corporate Governance and operates with highest levels of integrity, transparency and trust.

The Bank is committed to its role as a concerned corporate citizen, actively seeking ways to contribute and add value to the social and economic well-being of the local communities in which it invests and operates.

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