Al Salam Bank-Bahrain successfully exits USD 182.5 million US Multifamily Portfolio

- ***2,032-unit portfolio of multifamily communities located in North Carolina and Texas***
- ***Investors' internal rate of return exceeds forecast***
- ***Portfolio sold for USD 182.5mn, exceeding original forecasts***

27 April 2020, Manama, Bahrain: Al Salam Bank-Bahrain, the pioneering Shari'a-compliant Bank in the Kingdom, today announced the successful sale of a portfolio of 7 multifamily assets in the US for a gross sale consideration of USD 182.5 million, exceeding the original underwriting.

The 2,032-unit portfolio, comprised of seven class B multifamily communities in North Carolina and Texas, was acquired in 2016 and underwent a range of upgrades to reposition the assets and enhance value. Despite an original anticipated investment horizon of 5 years aiming for a 2021 exit, the investment thesis was achieved, and exceeded, in a shorter investment period, leading to an early exit.

Both North Carolina and Texas enjoyed a buoyant 2019, supported by growth in job creation and positive economic outlook. This resulted in an uplift in rents and reduction in vacancy rates, which contributed positively to the value of multifamily real estate assets.

Al Salam Bank-Bahrain Head of Private Banking, Ali Habib Qassim commented: "Our successful exit from the investment, ahead of schedule and exceeding original underwriting, underscores our ability to offer bespoke asset management opportunities to our clients and deliver attractive risk-adjusted returns."

Ali Habib Qassim further added: "The US real estate market showed steady appreciation over the investment period, with some pockets seeing spurts of accelerated growth. The exit comes at an opportune time, ahead of the uncertainty of the current COVID-19 pandemic. With the current volatile environment bringing new attractive opportunities which are being assessed on an opportunistic basis, the decision to exit early has enabled our investors to increase the cash allocation in their respective portfolios in anticipation of tactical deployment over the coming period."

The successful entry and exit demonstrates the Bank's asset management capabilities, which span various asset classes, globally. Al Salam Bank-Bahrain continues to asses and source tailored asset management opportunities for its customer base with the aim of maximizing risk-adjusted returns.

For more information, please contact our customer care center on 17005500.

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About Al Salam Bank-Bahrain

Al Salam Bank-Bahrain B.S.C (ASBB) is an Islamic bank headquartered in the Kingdom of Bahrain, and licensed and regulated by the Central Bank of Bahrain.

ASBB was established on 19 January 2006 in the Kingdom of Bahrain with paid-up capital of BD 120 million (US$ 318 million) and commenced commercial operations on 17 April 2006. The Bank was listed on Bahrain Bourse on 27 April 2006 and subsequently on the Dubai Financial Market (DFM) on 26 March 2008.

ASBB completed its merger with the Bahraini Saudi Bank (BSB) on 22 December 2011. On 2 February 2014, Al Salam Bank-Bahrain and BMI Bank B.S.C. (c) confirmed the conclusion of a business combination between the two institutions after obtaining the approval of their shareholders at their respective extraordinary general assembly meetings, and of 30 March 2014 BMI Bank became a wholly owned subsidiary of ASBB.

ASBB offers its customers a comprehensive range of innovative and unique Shari'a-compliant financial products and services through an extended network of branches and ATMs, utilizing the state-of-art technologies to meet various banking requirements. In addition to its retail banking services, the Bank also offers Corporate Banking, Private Banking, Investment and Treasury services. The Bank's high-calibre management team is comprised of highly qualified and internationally experienced professionals with proven expertise in key areas of banking, finance, and related fields.