Al Salam Bank-Bahrain tops key performance indicator rankings for GCC banking sector

- Highest reduction in non-performing financing by any listed bank in GCC –
- Ranked sixth for capital adequacy -

Manama, 23 June 2020:

Al Salam Bank-Bahrain (Al Salam Bank) has achieved the highest reduction in non-performing financing (NPF) amongst fifty five GCC listed banks in 2019, according to a report by KPMG. The Bank also ranked sixth in the region for Capital Adequacy Ratio (CAR), with a strong standing of 20.9 per cent. This makes Al Salam Bank the only Islamic bank from Bahrain to make the regional list of top 10 banks for a strong CAR and a marked reduction in non-performing financing, which fell by 3.3 per cent.

Rafik Nayed, Al Salam Bank-Bahrain Group CEO attributed the bank's success to its revised strategy: "*We have refined and refocused our strategy towards core business activities and the development and enhancement of revenue streams,"* Mr. Nayed said. *"Ultimately, Al Salam Bank's impressive growth in CAR and the commendable reduction in NPFs is owed to our robust risk management culture coupled with the efficient management of our financing portfolio and balance sheet. We have grown these by 30% and 19% respectively, through our consistent and unwavering pursuit of high-quality assets offering superior risk-adjusted returns."*

The rankings were featured in KPMG's latest GCC Listed Banks' Results Report, which analysed the financial results of fifty five listed commercial banks from each GCC country throughout 2019. Banks across the entire region posted impressive results, reflecting the continued resilience of the GCC banking sector, and highlighting the strength of Al Salam Bank's achievements.

The report notes that the region's positive results were coupled with an increased focus on digitisation, which has resulted in banks moving toward a more innovative, technology-driven approach: *"It is clear that banks that have been, and will continue to be, more nimble, agile and responsive to the digital agenda, will succeed in the long term. This has become even more apparent in the current crisis where branches are closed, face-to-face contact is limited, and the demand for digital banking channels has soared,"* wrote Omar Mahmood, KPMG Head of Finance for the Middle East and South Asia region, and Reyaz Mihular, KPMG Chairman for the Middle East and South Asia region.

With its often-pioneering, tech-focused initiatives, Al Salam Bank has come to be recognised as one of the key institutions driving the digitisation of financial services – both Islamic and global – in Bahrain. The Kingdom is a regional leader in this regard and boasts the region's oldest and most established banking sector. Al Salam Bank is continuing the successful roll-out of its three-year strategy, focused on giving customers a choice of innovative Shari'a-compliant banking solutions, including a virtual branch and an onboarding app that enables clients to open their accounts within minutes.

Mr. Nayed added: *"We are pleased that the KPMG report highlighted the importance of continued customer focus through innovation – one of its key predictions for 2020 – and noted that the banks that will succeed in an increasingly digital and post-COVID world are those that are agile, flexible and willing to transform their business models. At Al Salam Bank we pride ourselves on our customer-*

centric, pioneering and innovative approach, the results of which have been reflected in our performance."

These initiatives have also been recognised by prestigious US-based finance magazine Global Finance, naming Al Salam Bank the best Islamic Bank in Bahrain for the second year in a row. In awarding the title, the publication pointed to the Bank's wide range of cutting-edge products, strong balance sheet and growing asset base.

The KPMG report can be viewed at https://bit.ly/2UJQF2F.

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