Al Salam Bank – Bahrain Announces Financial Results for the Second Quarter Ended 30 June 2021

Manama, Bahrain 5 August 2021: Al Salam Bank – Bahrain ("Al Salam Bank" or the "Bank") (Bahrain Bourse Trading Code "SALAM", Dubai Financial Market Trading Code "SALAM_BAH") reported net profit attributable to shareholders of BD 4.6 million (US$ 12.1 million) in the second quarter of 2021 similar to its corresponding period in 2020 of BD 4.6 million (US$ 12.2 million). Earnings per share stood at 2.0 fils (US$ cents 5.3) for the second quarter compared to 2.0 fils (US$ cents 5.3) for the same period in 2020. Total operating income for the quarter stood at BD 25.9 million (US$ 68.8 million), a decrease of 1.2% from BD 26.2 million (US$ 69.6 million) recorded in Q2 2020.

For the six months ended 30 June 2021, the Bank reported a 50.1% increase in net profit attributable to shareholders to BD 10.7 million (US$ 28.3 million), compared to the BD 7.1 million (US$ 18.8 million) for the six months ended 30 June 2020. The increase in net profit was attributable to higher growth within the Bank's core activities in 2021. The corresponding earnings per share during the six months period stood at 4.6 fils (US$ cents 12.2) in 2021, compared to 3.0 fils (US$ cent 8.0) in 2020, reflecting an increase of 53.3%. Total operating income for the six months period increased by 7.6% to BD 54.0 million (US$ 143.2 million) compared to BD 50.2 million (US$ 133.1 million) in previous period.

Total shareholders' equity increased by 4.9% from BD 280.8 million (US$ 744.7 million) in 2020 to BD 294.4 million (US$ 780.9 million) at the end of June 2021, primarily due to the profit earned during the period.

Total assets recorded robust growth in 2021, increasing by 16.5% to BD 2.6 billion (US$ 7.0 billion) from BD 2.3 billion (US$ 6.0 billion) in 2020. The growth was accompanied by improvement in asset quality during the second quarter of 2021. The Bank maintained a capital adequacy ratio of 27.2% as of 30 June 2021, compared to 27.4% as of 31 March 2021.

Commenting on the results, H.E. Shaikh Khalid bin Mustahil Al Mashani, the Chairman Al Salam Bank – Bahrain said, "In view of the significant changes that transpired in the local economy and banking landscape over the past year, we swiftly set into motion the implementation of a newly formed three-year strategy that methodically charts the overall direction of the Bank, with calculated targets for aspirational growth and profitability. We are pleased to say that through the implementation of risk strategies and the tactical acquisition of additional market share, the Bank was able to robustly grow the balance sheet, improve asset book quality and enhance profitability metrics. Capitalizing on our strong foundation, we look forward to sustaining this momentum and our upward trajectory."

Mr. Rafik Nayed, Group Chief Executive Officer of Al Salam Bank – Bahrain, added, "We are proud of the results achieved in the first half of 2021. As a result of our agility, we were able to navigate through unpredicted market conditions and achieve unprecedented balance sheet

growth thanks entirely to the focused expansion of core banking activities which continued to deliver robust results. Our resilience throughout the period is supported by the continuous roll-out of digital solutions which are designed to uplift our customer experiences with unmatched products and features."

The full set of the financial statements, which were reviewed by the external auditors, KPMG, are available on Bahrain Bourse's website.

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