

Al Salam Bank-Bahrain Announces Financial Results for the First Quarter Ended 31 March 2021

Manama, Bahrain – 11 May 2021: Al Salam Bank-Bahrain (Al Salam Bank) (Bahrain Bourse Trading Code "SALAM", Dubai Financial Market Trading Code "SALAM_BAH") reported net profit attributable to shareholders of BD 6.1 million (US\$ 16.15 million) in the first quarter of 2021 compared to BD 2.5 million (US\$ 6.7 million) in the first quarter of 2020, reflecting an increase of 144%. The increase in net profit was attributable to higher growth within the Bank's core activities. Correspondingly, earnings per share stood at 2.6 fils (US\$ cents 6.9) in the first quarter compared to 1.1 fils (US\$ cents 2.9) for the same period in 2020, reflecting an increase of 136%. Total operating income for the quarter stood at BD 28 million (US\$ 74.3 million) – a 17% increase from BD 23.9 million (US\$ 63.4 million) recorded in Q1 2020. Total shareholders' equity increased by 2.1% from BD 280.8 million (US\$ 744.8 million) in 2020 to BD 286.7 million (US\$ 760.5 million) at the end of March 2021, primarily due to the profit earned during the period.

Total assets recorded strong growth in 2021, increasing by 3.6% to BD 2,343 million (US\$ 6,217 million) from BD 2,261 million (US\$ 5,998 million) in 2020. The growth was accompanied with a robust improvement in asset quality during the first quarter of 2021 with the Bank's non-performing facilities ratio decreasing to 4.95%, driven by effective recovery initiatives and quality new asset bookings. The Bank also maintained a strong capital adequacy ratio of 25.97% as at 31 March 2021, compared to 26.46% as at 31 December 2020.

Despite the ongoing challenges of COVID-19, the key business segments of the Bank sustained continuous growth, owing in part to the focus on client relationships. The first quarter also saw the launch of the first of its kind Loyalty Rewards Scheme, corporate deposit cards, and an automated financing application, enhancing customer experience.

Commenting on the results, H.E. Shaikh Khalid bin Mustahil Al Mashani, the Chairman of Al Salam Bank-Bahrain, said, "We witnessed positive financial results during the first quarter of 2021 in all operating segments, which marks a promising strong start to this year. Al Salam Bank has confidently maintained its resilience in mitigating risks and adapting to shifting market dynamics through the adherence to prudent business policies. Further growth is anticipated in our balance sheet, driven by the emphasis on the booking of quality assets and in turn, increased market share."

Mr. Rafik Nayed, Group Chief Executive Officer of Al Salam Bank-Bahrain added, "We are incredibly proud of the results achieved in the first quarter of 2021. As a result of the Bank's agility and strategic focus, the robust impetus gained during 2020 will successfully carry us forward into 2021 and beyond. The groundwork has already been effectively laid and a solid foundation is in place to build on the successes already achieved in the first quarter. Alongside sustained digital roll-outs to meet rising customer expectations, which were accelerated during the period, we will soon inaugurate the roll out of a new holistic 3-year strategy focusing on core banking, digital, brand and marketing initiatives."



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

-ENDS-

About Al Salam Bank – Bahrain

Al Salam Bank – Bahrain is a leading regional Islamic bank headquartered in the Kingdom of Bahrain and is licensed and regulated by the Central Bank of Bahrain. It offers a comprehensive range of innovative and unique Shari'a-compliant financial products and services through its extended network of branches and ATMs utilizing the state-of-art technology to meet various banking requirements. In addition to its retail banking services, the Bank also offers corporate banking, private banking, and investment as well as treasury services.

This press release has been issued by TRACCS Bahrain.

For further information, please contact

Shaikha Seyadi

Tel: +973 17 592008 Ext. 101 | M: +973 66395500

Email: shaikha.seyadi@traccs.net