

## Al Salam Bank Announces Financial Results for the First Quarter Ended 31 March 2022

**Manama, Bahrain – 12 May 2022** – Al Salam Bank (Bahrain Bourse Trading Code “SALAM”, Dubai Financial Market Trading Code “SALAM\_BAH”) announced today net profits attributable to shareholders of BD 6.5 million (US\$ 17.3 million) for the first quarter of 2022, compared to BD 6.1 million (US\$ 16.1 million) for the same period in 2021, reflecting a robust increase of 7%. The increase reflects an overall improvement in macroeconomic conditions. Correspondingly, earnings per share increased by 12% to 2.8 fils (US\$ 7.4 cents) in Quarter 1 2022 compared to 2.5 fils (US\$ 6.6 cents) for the same period in 2021. Total operating income for the quarter stood at BD 26.0 million (US\$ 69.0 million), reflecting a 7% decrease from the BD 28.0 million (US\$ 74.3 million) recorded in first quarter of 2021. Total shareholders’ equity decreased by 2% from BD 296.3 million (US\$ 785.8 million) in 2021 to BD 290.2 million (US\$ 769.8 million) at the end of March 2022, as a result of dividends distribution.

Total assets remained largely unchanged at BD 2.7 billion (US\$ 7.1 billion) in March 2022, while financing assets increased by 3% on a quarter-on-quarter basis to a record BD 1.4 billion (US\$ 3.7 billion), the highest since the Bank’s establishment. The growth was accompanied with a robust improvement in asset quality during the first quarter of 2022, with the nonperforming facilities ratio decreasing to 2.07%, driven by effective recovery initiatives and quality new asset bookings. The Bank’s sukuk portfolio also increased by 5% to BD 672 million (US\$ 1.8 billion) in March 2022. The Bank continued to maintain a strong capital adequacy ratio of 26.9% as at 31 March 2022.

“We have continued with our strong performance in 2021 and made a robust start to 2022 despite continued economic uncertainty and volatility globally,” said H.E. Shaikh Khalid bin Mustahil Al Mashani, the Chairman of Al Salam Bank. “The implementation of growth initiatives to acquire further market share reflected positively on the Bank’s performance during the quarter. While inflation is expected to change the velocity of monetary policy actions, we remain confident that the Bank is incredibly well positioned to achieve further growth and success in the coming period. We look forward to delivering our aspirations and continuing with our strategy to grow the balance sheet, improve our assets and enhance profitability.”

Al Salam Bank recently announced the acquisition of Ithmaar Bank’s consumer banking division alongside a number of other financial assets in a landmark transaction valued at US\$2.2 billion.

Mr. Rafik Nayed, Group Chief Executive Officer of Al Salam Bank, commented: “Our existing core banking book continued its upward trajectory driven by strong organic growth and optimization across all verticals. While our existing operations continue to yield strong results, the impending acquisition of Ithmaar Bank’s consumer banking division complements our strategy of achieving sustainable long-term growth through organic and inorganic initiatives. We are focused on strengthening our agile and resilient model by continuing to invest in our offerings to enhance our clients’ experiences.”

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