

Al Salam Bank Completes the Acquisition of Kuwait Finance House Bahrain

Manama, Kingdom of Bahrain, 15 May 2024: Al Salam Bank, a leading financial institution listed on the Bahrain Bourse (Trading Code "SALAM") and the Dubai Financial Market (Trading Code "SALAM_BAH"), has announced today that it has completed the acquisition of Kuwait Finance House Bahrain B.S.C. (c) ("KFH Bahrain") from Kuwait Finance House Group ("KFH Group"). The strategic transaction marks the Bank's fifth Merger and Acquisition (M&A) transaction in its growth journey, reinforcing its position as the fastest growing bank and the most active M&A player in Bahrain.

The acquisition of KFH Bahrain follows the successful integrations of Bahrain Saudi Bank in 2009, BMI Bank in 2014, Ithmaar Bank's consumer business in 2022 and the acquisition of a majority stake in Al Salam Bank-Algeria in 2023 showcasing Al Salam Bank's ability to achieve significant growth whilst ensuring a seamless customer journey. The consolidation of KFH Bahrain, with an asset base of more than BD 1.49 billion, will substantially increase the Bank's balance sheet by 28%, accelerate market share acquisition, and enhance offerings.

Al Salam Bank and KFH Group have collaborated closely and extensively to swiftly achieve financial close. The two parties will continue to work together to execute a seamless integration plan whilst ensuring an uninterrupted banking experience for customers. Banking operations, customer engagement, and branch services will continue to operate as usual.

His Excellency Shaikh Khalid bin Mustahil Al Mashani, Chairman of Al Salam Bank commented: "The acquisition of KFH Bahrain marks a pivotal step in our growth journey, setting a new standard for M&A excellence in the region. The transaction also underscores our commitment to bolstering Bahrain's position as a leading Islamic financial center in the region. We will continue to implement initiatives to expand our portfolio, cement our position as the fastest growing bank, and achieve our profitability aspirations."

On this occasion, Rafik Nayed, Group CEO of Al Salam Bank, said, "The transaction represents a significant milestone in realizing our strategic objectives of achieving significant scale and maximizing shareholder value. Our customers will continue to benefit from best-in-class banking products and services, now enhanced by our combined expertise, digital capabilities, and an expanded banking network. We remain dedicated to elevating our product and service offerings leveraging advanced technologies and crafting tailored products to meet the evolving needs of our clients. Our people are integral to realizing this vision. The combined commitment and expertise of our teams, both from Al Salam Bank and formerly KFH Bahrain, will be the key driver of our future successes."

Customers can continue to access all services currently being provided by KFH Bahrain, including but not limited to: cards, cheque books, online banking, mobile banking services, branches, ATMs, and the call center. Al Salam Bank will keep customers informed about transaction updates as well as relevant developments in the integration process.

Al Salam Bank was advised by KPMG Fakhro while Trowers and Hamlin acted as legal counsel.