

Al Salam Bank Announces Financial Results for the First Quarter Ended 31 March 2023

Manama, Bahrain – 11 May 2023 – Al Salam Bank (Bahrain Bourse Trading Code "SALAM", Dubai Financial Market Trading Code "SALAM_BAH") announced today net profits attributable to shareholders of BD 10.27 million (US\$ 27.25 million) for the first quarter of 2023, compared to BD 6.51 million (US\$ 17.27 million) for the same period in 2022, reflecting an increase of 58%. The increase is predominantly driven by the growth in core banking activities and the additional revenue generated from the acquired assets as part of the transaction with Ithmaar Holding. Correspondingly, earnings per share increased by 54% to 4.0 fils (US\$ 11 cents) in Q1 2023 compared to 2.6 fils (US\$ 7 cents) for the same period in 2022. Total operating income for the quarter was BD 26.68 million (US\$ 70.78 million) – a 62% increase from the BD 16.45 million (US\$ 43.64 million) recorded in first quarter of 2022. Total shareholders' equity increased by 3% to BD 311.96 million (US\$ 827.38 million) compared to BD 303.25 million (US\$ 804.37 million) at the end of the year 2022 driven by the net profit for the period and the movement in share of fair value reserve of an associate investment.

The Bank's total assets increased by 4% to BD 4.07 billion (US\$ 10.80 billion) in Q1 2023 compared to BD 3.89 billion (US\$ 10.34 billion) in year 2022. Financing assets also increased by 4% since year-end 2022 to BD 2.07 billion (US\$ 5.49 billion). The growth was driven by high quality new asset bookings maintaining a healthy nonperforming facilities ratio ending the quarter at 2.6%. The Bank's sukuk portfolio increased by 7% to BD 892.04 million (US\$ 2.36 billion) in Q1 2023. The Bank continued to maintain a strong capital adequacy ratio of 23.54% as at 31 March 2023.

His Excellency Shaikh Khalid bin Mustahil Al Mashani, Chairman of Al Salam Bank, commented: "2022 was a successful and productive year for the Bank driven by our acquisition of Ithmaar Bank's consumer banking division in addition to our sustainable organic growth. This strategic approach established our position as the Kingdom's largest Islamic bank. Looking back at the first quarter of 2023, we have maintained our momentum despite persistent market volatility and high interest rates. Our continued focus on pursuing sustainable organic and inorganic growth has enabled us to create value for our shareholders, even during challenging economic conditions. Moving forward, our teams remain dedicated to driving growth and accelerating the digital transformation of our business."

Mr. Rafik Nayed, Group Chief Executive Officer of Al Salam Bank, said: "We have started 2023 on a robust note, with growth across all verticals and a significant increase in profits attributable to shareholders. Our focus now is to capitalize on the foundation we've established to fully unlock the potential of the Bank having increased our team, assets, and resources. In addition to further strengthening our financial performance, we will use 2023 to build on our community impact. In Q1 we successfully concluded our Helping Hands campaign and are currently preparing to launch new initiatives this year that will create value not only for shareholders, but also for the wider community."

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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