AL SALAM BANK
Bahrain البحرين

13th July 2014

Mr. Hassan Abdulrahman Alserkal
Executive Vice President, Chief Operations Officer (COO)
Head of Operation Division
Dubai Financial Market
P.O. Box 9700 - Dubai
United Arad Emirates

Dear Mr. Alserkal,

<u>Subject: Al Salam Bank Algeria</u>

Al Salam Bank Bahrain would like to advise that the Commission Bancaire of the Bank of Algeria has decided on July 3, 2014 to put Al Salam Bank Algeria under temporary administration, due to the differences between certain shareholders of Al Salam Bank Algeria, who were also the founders of the Bank. This led to a lack of ability to manage Al Salam Bank Algeria in normal conditions, which required the intervention of the Regulators to preserve the rights of the shareholders of Al Salam Bank Algeria. In order to resolve the issue, the shareholders of Al Salam Bank in Algeria are in the process of agreeing on the protocols for holding a general assembly meeting to elect a new board of directors.

As for the financial results of Al Salam Bank Algeria for the financial year 2013, Al Salam Bank Algeria continued to grow during 2013, where the value of total assets increased to US$506 million, with an increase of 21% compared to the year 2012. In addition, customer deposits increased to US$306 million, with an increase of 23% from Year 2012. Al Salam Bank Algeria's financing portfolio has also witnessed a significant increase of US$714 million, which is an increase of almost 36% from the year 2012. As for net profit, the amount stood at 16.21 million dollars, with an increase of 13% from the profits recorded at the end of the year 2012.

It should be noted that Al Salam Bank Bahrain is a shareholder of Al Salam Bank Algeria since its inception in 2008.

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Best regards

Yours sincerely,

Bader Al Shetti
Head of Compliance & MLRO