

Al Salam Bank Announces Financial Results for 2023

Manama, Bahrain. 14 February 2024 – Al Salam Bank (Bahrain Bourse trading code "SALAM", Dubai Financial Market trading code "SALAM_BAH") reported net profit attributable to shareholders of BD 11.2 million (US\$ 29.8 million) in the fourth quarter of 2023, compared to BD 11.3 million (US\$ 30.0 million) in the fourth quarter of 2022. Earnings per share during the final quarter of 2023 remained at 4.6 fils (US\$ 12.2 cents), in line with the corresponding period in 2022. Total operating income for the fourth quarter stood at BD 76.8 million (US\$ 203.6 million), an increase of 41.3% from BD 54.3 million (US\$ 144.1 million) in Q4 2022.

For the fiscal year ending 31 December 2023, the Bank reported a net profit attributable to shareholders of BD 42.2 million (US\$ 112.0 million), compared to 31.6 million (US\$ 83.8 million) in 2022, reflecting an increase of 33.7% driven by organic and inorganic expansion of key business lines. Earnings per share increased to 17.2 fils (US\$ 45.6 cents) from 12.8 fils (US\$ 33.9 cents). Total operating income for the year was BD 279.3 million (US\$ 740.7 million), reflecting an 80% increase compared to BD 155.4 million (US\$ 412.2 million) for the year 2022.

Total shareholders' equity increased by 11.3% from BD 303.3 million (US\$ 804.4 million) in 2022 to BD 337.4 million (US\$ 895.0 million) for the year ended 31 December 2023. The increase was mainly due to profit earned during the year, offset by reduction in reserve balances. Total assets increased by 32% to BD 5.1 billion (US\$ 13.7 billion) in December 2023 compared to BD 3.9 billion (US\$ 10.3 billion) in December 2022, partly driven by the acquisition of a majority share and consolidation of Al Salam Bank Algeria. The Bank's capital adequacy ratio stood at 20.4% at the end of 2023.

As a result of the robust performance in 2023, the Board of Directors recommended a dividend distribution of 12% of the Bank's issued and paid-up share capital (7% cash dividends and 5% stock dividends), aggregating BD 31.0 million (US\$ 82.3 million). The dividend recommendation is subject to AGM and regulatory approvals.

His Excellency Shaikh Khalid bin Mustahail Al Mashani, Chairman of Al Salam Bank, said: "Al Salam Bank demonstrated extreme resilience and agility in 2023, enhancing operational efficiency and maintaining a strong liquidity position throughout the year. With the stabilization of global economies and promising growth projections for the region, the Bank is well positioned to continue expanding its core banking activities and capture additional market share in line with its strategy to become a leading regional Islamic financial institution.

"As we step forward into 2024, we remain committed to delivering value for all our stakeholders and our wider communities. We are poised to tackle challenges, keep pace with changes and seize opportunities in an unpredictable and fast-moving environment."

Rafik Nayed, Group Chief Executive Officer of Al Salam Bank, said: "Throughout 2023, we successfully implemented high-impact initiatives, fortified our balance sheet, and achieved ambitious profitability targets. We continued to build on the momentum created by a new brand DNA and our recent acquisitions, introducing new products and services for clients by leveraging on our digital offerings. In the 12 months ahead, we will continue to implement our strategy for sustainable growth, which includes enhancing efficiency, maximizing profitability, expanding our digital capabilities, and rolling out our asset management initiative.

"We remain deeply invested in the communities within which we operate and look forward to expanding initiatives such the "Al Salam Helping Hands" and "Inspired to Grow" campaigns to further support the social and financial wellbeing of our communities."

The full set of consolidated financial statements, which were audited by external auditor KPMG, with unmodified opinion, are available on Bahrain Bourse's website.

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