Al Salam Bank Announces Financial Results for 2021

Manama, Bahrain – 12 February 2022: Al Salam Bank (Bahrain Bourse Trading Code "SALAM", Dubai Financial Market Trading Code "SALAM_BAH") reported net profit attributable to shareholders of BD 5.1 million (US$ 13.6 million) in the fourth quarter of 2021 compared to BD 1.1 million (US$ 2.8 million) in the fourth quarter of 2020, reflecting an increase of 381%. The increase in net profit was predominantly driven by higher returns from the Bank's core business activities compared to the previous period. Correspondingly, earnings per share during the final quarter of 2021 stood at 2.2 fils (US$ cents 5.8) compared to 0.5 fils (US$ cents 1.3) for the same period in 2020, reflecting an increase of 340%. Total operating income for the quarter stood at BD 25.7 million (US$ 68.2 million), an increase of 15.1% from the BD 22.3 million (US$ 59.2 million) recorded in Q4 2020.

For the fiscal year ending on 31 December 2021, the Bank reported net profit attributable to shareholders of BD 21.4 million (US$ 56.7 million) for 2021 compared to BD 9.1 million (US$ 24.2 million) in 2020, marking an increase of 134%. Correspondingly, earnings per share stood at 9.1 fils (US$ cents 24.1) in 2021, compared to 3.9 fils (US$ cents 10.3) for the same period in 2020 reflecting a year-on-year growth of 133%. Total operating income for the twelve months period also increased by 11.1% to BD 107.3 million (US$ 284.5 million) compared to BD 96.6 million (US$ 256.2 million) for the same period in 2020.

Total shareholders' equity increased by 5.5%, from BD 280.8 million (US$ 744.8) in 2020 to BD 296.3 million (US$ 785.8) at the end of December 2021. Total assets increased by 19% during 2021 to BD 2.7 billion (US$ 7.1 billion) compared to BD 2.3 billion (US$ 6.0 billion) in December 2020. The growth was accompanied with a robust improvement in asset quality during 2021 with the Bank's non-performing facilities ratio decreasing to 2.1%, driven by high quality bookings and optimization initiatives. The Bank maintained a solid capital adequacy ratio of 28.5% in 2021 compared to 26.5% in 2020.

As a result of the Bank's robust performance in 2021, the Board of Directors recommended a dividend distribution of 7% of the Bank's issued and paid-up share capital (4% Cash dividends and 3% Stock dividends), aggregating BD 16.35 million (US$ 43.4 million). The dividend recommendation is subject to AGM and regulatory approvals.

Commenting on the results, Sh. Khalid bin Mustahil Al Mashani, the Chairman of Al Salam Bank said: "The successful implementation of our growth initiatives reflected positively on the Bank's strong performance in 2021. The core banking book continued its upward trajectory driven by robust organic growth and optimization across all verticals. We look forward to continue building on this growth trajectory and achieve further success in line with our strategic aspirations in the years to come."

Mr. Rafik Nayed, Group Chief Executive Officer of Al Salam Bank added: "We reinforced the Bank's leading position in 2021 as we continued to launch innovative products and services to further elevate our clients' banking experience. We also launched our new brand DNA, marking a new era of transformation and embracing a more conscious, purpose-driven brand which encapsulates the spirit of who we are at Al Salam Bank. Collectively, these initiatives allowed us to achieve robust growth, increased market share, and enhanced market positioning. Our strong performance across the different lines of business is a testament to the Bank's forward-looking approach and ability to differentiate itself from the competition."

The full set of the financial statements, which were audited by the external auditors, KPMG, with unmodified opinion, and press release are available on Bahrain Bourse's website.

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About Al Salam Bank

Al Salam Bank is a leading regional Islamic bank headquartered in the Kingdom of Bahrain and is licensed and regulated by the Central Bank of Bahrain. It offers a comprehensive range of innovative and unique Shari'a-compliant financial products and services through its extended network of branches and ATMs utilizing the state-of-art technology to meet various banking requirements. In addition to its retail banking services, the Bank also offers corporate banking, private banking, and investment as well as treasury services.

This press release has been issued by TRACCS Bahrain.

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