

Al Salam Bank Announces Financial Results for the Third Quarter of 2022

Manama, Bahrain. 13 November 2022 – Al Salam Bank (Bahrain Bourse Trading Code "SALAM", Dubai Financial Market Trading Code "SALAM_BAH") reported a net profit attributable to shareholders of BD 6.8 million (USD 18 million) in the third quarter of 2022, compared to BD 5.6 million (USD 14.8 million) for the same period in 2021, reflecting a 22% increase, primarily driven by growth in core banking activities. Earnings per share stood at 2.9 fils (USD 8 cents) for the third quarter of 2022 compared to 2.3 fils (USD 6 cents) for the same period in 2021, reflecting an increase of 26%. Total operating income for the quarter stood at BD 44.1 million (USD 117 million), a 60% increase from BD 27.6 million (USD 73.2 million) in the third quarter of 2021.

For the nine months ended 30 September 2022, the Bank reported a 25% increase in net profit attributable to shareholders, achieving BD 20.3 million (USD 53.8 million) compared to BD 16.2 million (USD 43 million) for the same period in 2021. Correspondingly, earnings per share during the nine-month period stood at 8.6 fils (USD 23 cents) in 2022 compared to 6.7 fils (USD 18 cents) in 2021, reflecting an increase of 28%. Total operating income for the nine-month period increased by 22% to BD 99.3 million (USD 263.5 million) compared to BD 81.6 million (USD 216.3 million) for the same period in 2021. As the first publications of results post the transaction with Ithmaar Holding, which included the consumer banking division of Ithmaar Bank, the Bank's income statement included one-off items such as the Day 1 ECL charge and other acquisition related adjustments arising from the transaction.

Total shareholders' equity decreased by 2% from BD 296.3 million (USD 785.8 million) in December 2021 to BD 291.7 million (USD 773.7 million) at the end of September 2022, primarily due to dividend distribution and reduction in reserves. Total assets recorded robust growth during the first 9-months in 2022, increasing by 42% to BD 3.8 billion (USD 10.1 billion) from BD 2.7 billion (USD 7.1 billion) in December 2021. Customer deposits grew by 44% from BD 1.8 billion (USD 4.8 billion) in December 2021 to BD 2.6 billion (USD 6.9 billion) as at end of September 2022. The growth in assets and liabilities base were primarily driven by the impact of the transaction with Ithmaar Holding and the organic growth achieved during the period. During the nine-month period, financing assets increased by 45% to BD 2 billion (USD 5.3 billion) compared to BD 1.4 billion (USD 3.6 billion) in December 2021. The Bank continued to maintain a strong capital adequacy ratio at 22.26% as at the end of September 2022.

His Excellency Shaikh Khalid bin Mustahail Al Mashani, Chairman of Al Salam Bank, commented: "We are pleased by the Bank's robust performance in the first nine months of 2022 which outperformed last year's results for the same period and produced a substantial increase in asset base. We have pursued organic and inorganic growth initiatives, including our transaction with Ithmaar Holding, to expand our market share and firmly cement Al Salam Bank's position as the largest Islamic financial institution in Bahrain. We are confident that we will maintain the Bank's strong growth trajectory in 2023 and beyond."

Group Chief Executive Officer of Al Salam Bank, Rafik Nayed, said: "Charting a new chapter of growth, our latest financial results represent our first set of consolidated results following our acquisition of select assets from Ithmaar Holding, including the consumer banking business of Ithmaar Bank. We will continue to implement Al Salam Bank's strategy of increasing core banking activities, growing retail banking operations, and achieving sustainable growth across all metrics through organic and inorganic initiatives. As we work towards a seamless transition post our transaction with Ithmaar Holding, we are determined to deliver a superior banking proposition to our growing client base."

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

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