Al Salam Bank Acquires Majority Stake in Al Salam Bank Algeria

Acquisition of Algeria's fastest growing bank with total assets of USD 2.2 billion reinforces Al Salam Bank's position as one of MENA's leading Islamic financial institutions

Manama, Bahrain – 22 June 2023: Al Salam Bank (the "Bank") announced the acquisition of a majority stake in Al Salam Bank Algeria ("ASBA"), increasing its shareholding from 37.43% to 53.13%, following the purchase of shares from various shareholders.

With total assets growing at a compounded annual growth rate (CAGR) of 23.3% since 2010, ASBA is the fastest growing bank in Algeria closing Q1 2023 with total assets of USD 2.2 billion, a financing book of USD 1.3 billion, and a customer deposit base of USD 1.8 billion.

This acquisition represents a significant milestone in Al Salam Bank's growth strategy and further expands its regional presence. The transaction will also strengthen the growth prospects of ASBA which aims to grow its financing book, diversify product offerings, increase market share, and accelerate its digitalization journey.

The banking sector in Algeria boasts strong fundamentals, serving a young population with significant growth potential. The country's strategic location in Africa, between Europe and the GCC region presents ASBA with a range of opportunities to grow retail banking, corporate banking, and trade finance. Al Salam Bank plans to further support ASBA with the objective of accelerating its growth and capturing new pockets of opportunities within the country and the wider region.

Al Salam Bank's acquisition of ASBA builds on the Bank's successful M&A track record, including its successful merger with Bahraini Saudi Bank (BSB) in 2011, the acquisition of BMI Bank in 2014, and the latest acquisition of select assets from Ithmaar Holding including Ithmaar Bank's consumer banking business in 2022.

Commenting on the acquisition, Rafik Nayed, Group Chief Executive Officer of Al Salam Bank said: "This strategic transaction will further reinforce our position in the MENA region. Al Salam Bank Algeria is a highly promising growth story with an annualized ROE close to 20% in Q1 2023. Having acquired a majority stake, we are committed to ensure that ASBA continues to gain market share while providing clients with a complete product offering and a seamless experience."

Nayed added: "Al Salam Bank has completed several landmark transactions over the last decade that have cemented our position as one of the region's leading Islamic financial institutions. M&A will remain an important pillar of our growth plans."

ASBA is a leading Sharia-compliant bank established in 2006, with 23 branches across Algeria. Its operations span corporate financing, international trade, personal financing, lease financing, property financing, and investment accounts.

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