Al Salam Bank Announces Financial Results for 2024

Manama, Bahrain. 6 February 2025 – Al Salam Bank (Bahrain Bourse trading code "SALAM", Dubai Financial Market trading code "SALAM_BAH") reported a net profit attributable to shareholders of BD 16.7 million (US$ 44.3 million) in the fourth quarter of 2024, compared to BD 11.2 million (US$ 29.8 million) in Q4 2023, reflecting a robust increase of 48.7%. The increase in profitability was predominantly driven by the strong performance of the Group's core banking operations, subsidiaries, and associates. Earnings per share for the quarter stood at 5.8 fils (US$ 15.4 cents), up from 4.4 fils (US$ 11.7 cents) for the corresponding period in 2023. Total comprehensive income attributable to owners of the parent for the quarter decreased by 136.3%, from BD 10.9 million (US$ 29.0 million) in Q4 2023 to loss of BD 4.0 million (loss of US$ 10.5 million) in Q4 2024. The decline in comprehensive income is primarily due to changes in fair value of investments.

For the fiscal year ending 31 December 2024, the Bank reported a net profit attributable to shareholders of BD 59.0 million (US$ 156.5 million), reflecting a significant increase of 39.8% compared to BD 42.2 million (US$ 112.0 million) in 2023. Earnings per share (EPS) for the year stood at 20.7 fils (US$ 54.9 cents), compared to 16.3 fils (US$ 43.2 cents) in 2023. Total comprehensive income to owners of the parent increased by 33.2% to BD 67.1 million (US$ 178.0 million) in 2024, compared to BD 50.4 million (US$ 133.7 million) in 2023.

Total equity attributable to the Bank's shareholders increased by 6.8% to BD 360.5 million (US$ 956.2 million) in 2024 from BD 337.4 million (US$ 895.0 million) in 2023, contributing to a stronger capitalization profile with capital adequacy ratio increasing from 20.4% to 24.8% during the year.

The Group's balance sheet expanded significantly with total assets growing by 37.2% to BD 7.06 billion (US$ 18.73 billion) in 2024 from BD 5.15 billion (US$ 13.65 billion) in 2023 largely driven by organic and inorganic growth initiatives of the Group's banking activities. The financing portfolio increased by 36.8% to BD 3.66 billion (US$ 9.71 billion) while customer deposits increased by 41.7% to BD 4.95 billion (US$ 13.12 billion).

The Board of Directors recommended a dividend distribution of 14% of the Bank's issued and paid-up share capital (6% cash dividends and 8% stock dividends), aggregating BD 37.5 million (US$ 99.6 million). This recommendation is subject to AGM and regulatory approvals.

His Excellency Shaikh Khalid bin Mustahail Al Mashani, Chairman of Al Salam Bank, commented: "Our exceptional performance in 2024 demonstrates the effectiveness of our long-term strategy and the strength of our team. Our focus for the coming period will be on exploring new opportunities, especially in banking, takaful, and asset management, to solidify our position as a leading and diversified regional financial group. Our commitment to create long-term, sustainable value for our shareholders and our wider stakeholder base remains at the core of our strategy as we navigate an increasingly dynamic and competitive industry."

Rafik Nayed, Group Chief Executive Officer of Al Salam Bank, added: "We are proud of our achievements in 2024 having completed several key strategic initiatives which have cemented our position as a leading diversified financial group. Over the course of the year, we successfully completed the acquisition and seamless integration of Kuwait Finance House - Bahrain in record time, launched the Group's asset management arm (ASB Capital), strengthened capitalization, expanded our balance sheet, and significantly increased profitability to record levels. Looking ahead, our strategic plan includes initiatives to drive efficiencies through AI and digital adoption, significant market share acquisition across Group companies, and the launch of new verticals to further diversify, optimize, and increase profitability."

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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