

Your Partner Bank

Al Baraka Group Announces Financial Results for Q1 of 2024

Manama | 8 May 2024

Al Baraka Group B.S.C. (“ABG” or “Group”), Bahrain Bourse trading code “BARKA”, announced its financial results for the first quarter of 2024 (“the quarter”).

The Group announced a net income attributable to shareholders of the parent company at US\$39 million in the first quarter of 2024 compared to US\$41 million for the same period of 2023, reflecting a 6% decline. Earnings per share stood at 3.23 US cents for the first quarter of 2024 compared to 3.42 US cents in Q1 2023. This was mainly due to the low profitability in Units where the Group had higher stakes in comparison to other Units, owing to the significant rise in costs of funding in spite of higher profits from financing and investments; the negative foreign currency translation effect was another factor that contributed to the decline.

The Group also announced a decline in total comprehensive income attributable to the Group’s shareholders, reporting a loss of US\$60 million at the end of the first quarter of 2024, which is higher by 137% compared to a loss of US\$25 million in the same period last year, which is mainly due to the negative foreign currency translation reserve in Turkey and Egypt.

The Group recorded a 6% rise in its net income at US\$77 million for the period ended March 31st 2024, compared to US\$73 million for the same period in 2023. This was primarily driven by higher profits from financing and investments across most of the Group’s Units, and lower provisions, despite higher costs of funding and the negative foreign currency translation effect.

The equity attributable to the parent’s shareholders and Sukuk holders reduced by 6% totalling US\$1.18 billion by the end of Q1 2024, compared to US\$1.25 billion at the end of December 2023, due to the increase in foreign currency translation reserves. In terms of total equity, Al Baraka reported US\$1.87 billion at the end of Q1 2024, compared to US\$1.97 billion at the end of December 2023, resulting in a 5% decrease.

The total assets of the Group also declined to US\$24.81 billion at the end of the first quarter of 2024, compared to US\$25.26 billion at the end of 2023, i.e. a 2% reduction, as a result of the depreciation of regional currencies against the US dollar in many of the markets in which the Group operates, including Turkey and Egypt.

Commenting on the financial results, Sheikh Abdullah Saleh Kamel, Chairman of the Board of Directors of the Group, stated: “Despite the wave of inflation overtaking the global economy, the Group has achieved a resilient and stable financial performance in our balance sheet, reflecting the efficiency of both our investment approach and our operating expenses framework. Given the current geopolitical challenges, crises and economic setbacks across some of the financial markets in which we operate, we plan to strengthen our efforts aimed at seizing all potential avenues for growth by exploring various investment opportunities and expanding our operational capabilities using the latest digital and innovative management solutions. Moving forward, we will be focusing on strengthening our financial results and enhancing our profits to firm up our industry position.”

Mr. Housseem Ben Haj Amor, board member and Group CEO said: “Despite the devaluation of local currencies in some of the regional markets we operate in, particularly in Turkey and Egypt, as well as the impact of higher cost of funding, and the increasing risk of credit defaults, we are witnessing an overall improvement in the Group’s financial performance compared to last year, particularly in the net income. In the midst of this volatile economic landscape, we were able in 2024 to distribute dividends for the 2023 year to our shareholders, which we have not been able to do since 2019. We are also closely monitoring the situation in the Group’s Units in Lebanon and Sudan, given the difficult political and economic circumstances there. With the help of Allah Almighty, we stand ready to face any challenges resulting from these fluctuations and limit their repercussions, as we do not expect them to negatively affect our financial performance in the coming period. We look forward to seizing all investment and innovation opportunities that ensure growth across our Units and sustainably support the Group’s profits.”

This press release is available along with the Group’s financial statements on the Bahrain Bourse website and on the Group’s website at the following address: www.albaraka.com.

-Ends-

About Al Baraka Group

Al Baraka Group B.S.C is licensed as an Investment Business Firm - Category 1 (Islamic Principles) by the Central Bank of Bahrain and is listed on Bahrain Bourse, with its headquarters in the Kingdom of Bahrain.

ABG is a leading international Islamic financial group with presence in 13 countries. It provides through its banking subsidiaries and associates services in retail, corporate, treasury and investment banking, strictly in accordance with the principles of Islamic Shari’a in more than 650 branches. The authorized capital of ABG is US\$2.5 billion.

Contact details:

Nadera Abuali

Vice President - Corporate Communications & Branding

Telephone: +973 17541122 extension 242

Mobile: +973 34326727

Email: nabuali@albaraka.com