

BBK discloses its financial results for the year ended 31st December 2022

BBK (trading code BBKB.BH) announces its financial results for the year ended 31st December 2022 with a net profit attributable to the owners of the Bank of BD 64.4 million, representing an increase of 21.3% over the previous year of BD 53.1 million. The net profit attributable to the owners of the Bank for the fourth quarter of 2022 stood at BD 19.9 million, compared to BD 12.6 million reported during the same period of last year, at an increase of 57.9%.

For the fourth quarter of 2022:

The Bank achieved a net profit attributable to the owners of the Bank of BD 19.9 million, 57.9% higher compared to the net profit of BD 12.6 million achieved during the corresponding period of last year. The basic and diluted earnings per share for the fourth quarter amounted to 12 fils compared to 8 fils during the previous year.

Total comprehensive income attributable to the owners of the Bank amounted to BD 54.7 million during the fourth quarter of 2022, compared to BD 11.9 million during the same period of last year, representing a significant increase of 359.7%. This was led by the positive movement in fair value reserve of investment securities by BD 32.8 million, compared to a drop in valuation of BD 2.4 million during the same period of last year, as well as higher reported net profit.

The increase in net profit was supported by a robust growth in net interest income by 67.7% from BD 20.1 million reported during the fourth quarter of last year to BD 33.7 million during the same period of year 2022. This was partially offset by higher net provision requirements (BD 3.0 million for the fourth quarter of current year, compared to BD 0.8 million during the same period of last year representing 275.0% increase).

For the full financial year ended 31st December 2022:

BBK achieved a net profit attributable to the owners of the Bank of BD 64.4 million compared to BD 53.1 million achieved during the previous year, an increase of 21.3%. The basic and diluted earnings per share amounted to 39 fils compared to 32 fils for the prior year.

The total comprehensive income attributable to the owners of the Bank for the year 2022 amounted to BD 84.5 million, compared to BD 59.5 million reported during last year, an increase of 42.0%. The increase is mainly related to positive market valuations, and higher net profit from core activities.

The increase in net profit was mainly attributable to increase in net interest income from BD 82.6 million achieved during last year to BD 102.5 million during the current year, an increase of 24.1%. The increase in net interest income was mainly due to the interest rates hikes during the year as well as the active balance sheet management followed by the bank. On the other hand, the net provision charges increased by 175.9% from BD 2.9 million to BD 8.0 million due to the Bank's prudent risk management approach, and to strengthen the Bank's financial resilience given the challenging economic environment. In addition, operating expenses increased by 6.1% in 2022 to BD 64.5 million (last year: BD 60.8 million) due to BBK's continuous investment in its human capital, and implementation of various strategic and business initiatives aimed at providing our customers with the best banking experience.

Total shareholders' equity attributable to the owners of the Bank increased to BD 596.3 million as of end of December 2022, compared to BD 542.8 million as of end of the financial year 2021, an increase of 9.9%. The increase is mainly related to the current year's profit, and improvement in investment securities' market valuations.

Total assets increased by 2.2% to reach BD 3,753.9 million as of end of December 2022 compared to BD 3,672.7 million reported at end of financial year 2021. Cash and balances with central banks increased by 46.4% to stand at BD 416.9 million (2021: BD 284.8 million), while investment securities dropped by 7.3% to BD 914.2 million (2021: BD 985.8 million). Customer deposits continued to be our core source of funding, standing at BD 2,116.6 million as of end of December 2022 (2021: BD 2,125.6 million) representing a slight decline of 0.4%.

Based on the positive financial results for the year ended 31st December 2022, the Board of Directors recommended paying cash dividend of 25 fils per share and stock dividend of 5% per share equivalent to 5 shares for every 100 shares held for the year 2022, also the Board of Directors recommended an additional exceptional one time cash dividend of 5 fils per share on the occasion of the celebration of BBK's 50th anniversary for the shareholders registered with the Bank on the record date, subject to the approvals of the regulatory authorities and the shareholders at the Annual General Meeting (AGM).

The Board of Directors expressed its satisfaction with the financial results stating “BBK’s strong performance during the year once again demonstrated the Group’s ability to withstand challenging economic cycles as well as its commitment to achieve the targets outlined in the new 2022-2024 strategy. This solid performance and the steady improvements to the Bank’s operations reflect BBK’s clear vision, robust business model, and adaptive strategies, as well as the high standards of professionalism among our team. The banking industry has evolved, market conditions have fluctuated, and customers’ expectations have shifted significantly over the past five decades, however BBK’s commitment to delivering innovative services and contributing to Bahrain’s economic and social growth remains steadfast. Backed by the trust of our customers and support of our stakeholders, we are confident that BBK can achieve even greater success in 2023 and beyond. Our thanks to BBK’s shareholders for their continued support and confidence, to our customers for their ongoing loyalty and patronage, and to the management team and employees for their unwavering dedication”.

Also, commenting on the results, Dr. AbdulRahman Saif, BBK’s Group Chief Executive stated “BBK’s impressive results in 2022 highlight the efficacy of our forward-looking strategy, conservative approach to risk management, and diversified portfolio. The celebration of BBK’s 50th anniversary was a highlight of the year. For five decades, we have remained steadfast in our support for the economic and societal growth of the communities in which we operate. We rolled out a series of initiatives aimed at changing lives for the better, and to give back something special to thank our customers and the Kingdom for the unwavering support we have received along the way. In addition to being our Golden Jubilee year, 2022 saw steady improvements in our performance and progress on implementation of various strategic and business initiatives. We introduced new services as part of our digital transformation journey, and reaffirmed our commitment to sustainability with the launch of our inaugural sustainability report. Digitization and innovation are vital to providing the best possible service in a rapidly evolving digital landscape. Accordingly, we continue to take strides in our digital transformation journey, cognizant that it is a continuous process. During year 2022, we launched our fifth 24/7 BBKPLUS Digital Branch concept at Souq Al Baraha in Diyar Al Muharraq, and new and improved digital banking platforms namely "BBK Mobile Banking" and "BBK Online Banking". Also, we were the first bank in Bahrain to provide Samsung Wallet service.

In addition, BBK continues to prioritize Environmental Social and Governance (ESG) initiatives according to identifiable and measurable targets. Amongst other measures, we launched a special loan facility for business owners who aim to switch partially or entirely to renewable energy sources. This reflects the Bank's firm commitment to helping the Kingdom reach its 2060 net-zero emission target and to promote sustainable development within the Bank and throughout the Kingdom of Bahrain.

We look forward to building on the momentum in 2023 as we continue our digital transformation journey, while working towards achieving all our 2022-2024 strategy objectives”.

The full set financial statements and the press release are available on Bahrain Bourse’s website.